



Health Services
LOS ANGELES COUNTY

March 20, 2007

**Los Angeles County
Board of Supervisors**

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*To improve health
through leadership,
service and education.*



www.ladhs.org

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple
Los Angeles, California 90012

**APPROVAL OF THREE AMENDMENTS FOR
DIAGNOSTIC AND THERAPEUTIC SERVICES FOR HIGH
DESERT HEALTH SYSTEM
(5th District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize and instruct the Director of Health Services, or his designee, to offer and sign: 1) Amendment No. 4 to Agreement No. H-210779, substantially similar to Exhibit I, with RadNet Management, Inc. (RadNet), to revise the scope of diagnostic and therapeutic services for High Desert Health System (HDHS) and include nuclear medicine studies; 2) Amendment No. 4 to Agreement No. H-210778, substantially similar to Exhibit II, with Valley Tumor Radiation Medical Group (Valley Tumor); and 3) Amendment No. 3 to Agreement No. H-210777, substantially similar to Exhibit III, with Lancaster Cardiology Medical Group (Lancaster), for the continued provision of diagnostic and therapeutic services, extending the term of each agreement for an additional two years, effective April 1, 2007 through March 31, 2009. Annual cost is estimated to be \$717,000, for all three agreements, consisting of \$237,000 for Valley Tumor, \$210,000 for Lancaster and \$270,000 for RadNet, with an estimated total maximum obligation of \$1,434,000. The contract costs will be unchanged from previous years.
2. Delegate authority to the Director of Health Services, or his designee, to extend the term of all three Agreements, month-to-month, for a maximum of three months, effective April 1, 2009 through June 30, 2009, for an additional estimated total maximum obligation of \$179,250.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving this action, the Board is authorizing the Director of Health Services or his designee to offer and sign amendments with three providers in the Antelope Valley area to ensure the continued provision of diagnostic and therapeutic services to patients of HDHS.

Board approval of this action will also authorize the Department of Health Services (DHS or Department) to allow HDHS to outsource the nuclear medicine service and the recommended Contractor to provide these services will be RadNet.

FISCAL IMPACT/FINANCING:

The annual maximum obligation for these services is \$237,000 for Valley Tumor, \$210,000 for Lancaster and \$270,000 for RadNet, for a total annual maximum obligation of \$717,000. With the Board approval of the three Amendments, the total maximum obligation, effective April 1, 2007 through March 31, 2009, will be \$1,434,000. The contract costs will be unchanged from previous years.

The estimated maximum obligation for the additional extension month-to-month extension, effective April 1, 2009 through June 30, 2009, will be approximately \$59,250 for Valley Tumor, \$52,500 for Lancaster and \$67,500 for RadNet, for a total of \$179,250.

The total maximum obligation for the three Amendments for the total contract term, effective April 1, 2007 through June 30, 2009, will be \$1,613,250.

Funding for these amendments is included in the HDHS Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

Since 1982, HDHS has acquired several diagnostic and therapeutic services through agreements with contractors in the Antelope Valley area. The purpose of these agreements is to provide HDHS patients with access to certain diagnostic and therapeutic services, which are not available at HDHS.

The Board approved sole source Agreements with the companies of Valley Tumor, Lancaster and Antelope Valley MRI (Antelope Valley) on the dates of April 22, 1986, June 30, 1987, and March 11, 1997, respectively.

On March 30, 1999, your Board approved new sole source Agreements with Valley Tumor, Lancaster and Antelope Valley to extend the provision of these services effective April 1, 1999 through March 31, 2001.

On March 20, 2001, the Board approved Amendment No. 1 for Antelope Valley, Lancaster and Valley Tumor extending the term of the Agreements for three years, through March 31, 2004.

After High Desert Hospital was changed from a hospital setting to a multi-service ambulatory care center in May 2003, the need for outpatient visits for diagnostic and therapeutic services increased.

On March 16, 2004, the Board approved Amendment No. 2 for Valley Tumor, Antelope Valley and Lancaster to expand their services to include additional diagnostic and therapeutic services to cover routine and emergency services, including mammography, ultrasound and nuclear medicine studies. These amendments extended the term of the Agreements for an additional three years and expanded the scope of services for back up and overflow services when the equipment at HDHS was inoperable.

HDHS attempted to refer patients to Olive View-UCLA Medical Center (Olive View), but the facility is approximately 50 miles away from HDHS and this presented a hardship for its patients.

On October 11, 2005, the Board approved Amendment No. 3, after DHS received notification that Antelope Valley MRI was a fictitious name for RadNet Management, Inc. As a corrective action, RadNet provided the Department with their Articles of Incorporation for RadNet and a fictitious name permit issued by the State of California. Subsequently, all references in Agreement No. H-210779 to Antelope Valley MRI have been changed to RadNet Management, Inc., doing business as Antelope Valley MRI.

On October 18, 2005, the Board approved Amendment No. 3 for Valley Tumor to expand the diagnostic and therapeutic services to cancer patients referred by Olive View and add additional procedures.

The Amendments will add the provision of nuclear medicine services and extend the term of the agreements for two years. The Chairman of Radiology for HDHS retired in July 2005 and the facility has been unable to recruit a qualified physician to fulfill the State of California nuclear medicine certification requirements. HDHS does not have a qualified radiologist or nuclear medicine technologist and has been unsuccessful in recruiting qualified personnel for approximately three years. These services will be provided by Radnet.

HDHS will also terminate the nuclear medicine license and equipment lease agreement and end the purchasing of isotopes at a cost savings of approximately \$7,000 per month or \$84,000 per year. RadNet currently provides the County basic diagnostic and therapeutic procedures and the Amendment will expand their scope of work to provide all nuclear medicine studies for HDHS. Therefore, the Department plans to completely outsource the nuclear medicine service, which will eliminate the need for leasing the nuclear medicine equipment and the purchasing of isotopes. HDHS will surrender its nuclear medicine license to the California Department of Health Services, Radiologic Health Branch.

Lancaster and Valley Tumor will continue to perform cardiology diagnostic procedures and radiation therapy. Services include performing the procedures, studies, treatment, read and interpret all procedures and tests at their facilities will provide HDHS with the results. The contractors will bill the County for services rendered on a monthly basis per procedure at the negotiated Medi-Cal global fee-for-service rate.

HDHS administration will continue to monitor these contractors performance to assure compliance with the terms and conditions of the agreements.

The Department has determined that these services cannot be performed adequately by County staff and it is difficult to find qualified personnel to perform these services for the period of time it is needed.

Under the termination provision of the Agreements, the Agreements may be terminated immediately for breach or for convenience with a 30-day advance written notice by either party.

Attachment A provides additional information and Attachment B provides the contractors addresses and contact persons.

County Counsel has approved Exhibits I, II, and III as to use and form.

CONTRACTING PROCESS:

A search for available companies who could potentially provide nuclear medicine services and diagnostic therapeutic services was conducted several years ago. Sole source Agreements with three providers were completed to address the service needs of the Antelope Valley area.

An open competitive solicitation was not conducted for the requested extension of these contracts because the current Contractors who have been providing these services for several years are the best positioned to continue the uninterrupted provision of these critical services in the Antelope Valley area.

Additionally, the shortage of qualified and interested companies in the Antelope Valley area does not support the release and completion of a Request for Proposal process, however the Department plans to prepare and distribute a Letter of Interest in early 2008 to solicit the level of interest that may exist for the provision of these services for the High Desert Antelope Valley area. If the analysis reveals that the existing Contractors are the only available and qualified providers, the Department will initiate a request for Board approval for new sole source Agreements with these Contractors.

The Department has determined that these services do fall under the Proposition A guidelines, however due to the shortage of available providers, are not subject to the Living Wage Ordinance.

The Honorable Board of Supervisors
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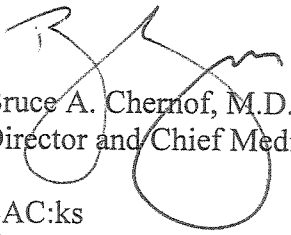
The planned Letter of Interest will be advertised on the Office of Small Business Countywide Web Site (OSB).

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the amendments will ensure that all necessary diagnostic and therapeutic services are provided with continuity of care to HDHS patients.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ks
HDHSBoardLtr2007.ks.wpd

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(Diagnostic and Therapeutic Services)

1. **TYPE OF SERVICE:**

Lancaster Cardiology Medical Group, Valley Tumor Radiation Medical Group and RadNet Management, Inc. will provide nuclear medicine, diagnostic and therapeutic services for the High Desert Health System.

2. **AGENCY ADDRESS AND CONTACT PERSON(S):**

Contract No. H-210777
Lancaster Cardiology Medical Group
43847 North Heaton Avenue
Lancaster, California 93534
Attention: Martha Son
Telephone: (661) 948-3417

Contract No. H210779
RadNet Management, Inc.
1510 Cotner Avenue
Los Angeles, California 90025
Attention: Espie Gamboa
Telephone: (310) 445-2800

Contract No. H-210778
Valley Tumor Radiation Medical Group
876 West Lancaster Blvd.
Lancaster, California 93534
Attention: Darla Manley
Telephone: (661) 949-3712

3. **TERM OF AGREEMENT:**

April 1, 2007 through March 31, 2009.
Month-to-month, April 1, 2009 through June 30, 2009.

4. **FINANCIAL INFORMATION:**

The maximum County obligation of the proposed Amendment is \$1,434,000, effective April 1, 2007 through March 31, 2009, and \$179,250 for the month-to-month extension, effective April 1, 2007 through June 30, 2009.

5. **GEOGRAPHIC AREA TO BE SERVED:**

Fifth District

6. **ACCOUNTABLE FOR MONITORING:**

Beryl Brooks, Chief Executive Officer

7. **APPROVALS:**

Chief Executive Officer:	Beryl Brooks, CEO
Contracts and Grants:	Cara O'Neill, Chief
County Counsel (approval as to use):	Maya Lee, Deputy

DIAGNOSTIC AND THERAPEUTIC PROVIDERS

Providers	<u>Estimated Cost/Year</u>	<u>2-Year Estimated Cost</u>	<u>Month-to Month Extension</u>
1. Contract No. H-210777 Lancaster Cardiology Medical Group 43847 North Heaton Avenue Lancaster, California 93534 Attention: Martha Son Telephone: (661) 948-3417	\$210,000	\$ 420,000	\$ 52,500
2. Contract No. H210779 RadNet Management, Inc. 1510 Cotner Avenue Los Angeles, California 90025 Attention: Espie Gamboa Telephone: (310) 445-2800	\$270,000	\$ 540,000	\$ 67,500
3. Contract No. H-210778 Valley Tumor Radiation Medical Group 876 West Lancaster Blvd. Lancaster, California 93534 Attention: Darla Manley Telephone: (661) 949-3712	\$237,000	\$ 474,000	\$ 59,250
TOTAL	\$717,000	\$1,434,000	\$ 179,250
GRAND TOTAL:			\$1,613,250

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
"County")

and RADNET MANAGEMENT, INC.,
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT" dated March 30,
1999, and further identified as County Agreement Number
H-210779, and any Amendments thereto (all hereafter referred to
as "Agreement");

WHEREAS, the Medical Center shall retain professional and
administrative responsibility for the services provided under
this Agreement; and

WHEREAS, it is the intent of the parties hereto to extend
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written Amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective April 1, 2007.

2. Paragraph 1, TERM AND TERMINATION of the body of this Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence April 1, 2007, and shall continue in full force and effect to and including March 31, 2009, unless terminated sooner pursuant to the terms of this Agreement. The term of this Agreement may be extended by Director beyond the stated expiration date on a month-to-month basis, for a period of time not to exceed three months, upon mutual agreement of the parties. All provisions of the Agreement in effect on the date the term commences shall remain in effect for the duration of the extension period. If County and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of March 31, 2009, then the Agreement shall expire on such date.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry

out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the County."

3. Paragraph 3, DESCRIPTION OF SERVICES, of the body of the Agreement shall be amended to read as follows:

"3. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange for the provision of the specialty medical services

described in Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached hereto and incorporated herein by reference."

4. Paragraph 4, BILLING AND PAYMENT, of the body of the Agreement shall be amended to read as follows:

"4. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions, and rates set forth in Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached hereto and incorporated herein by reference.

A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the Tasks, Subtasks, Deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Five Hundred Forty Thousand Dollars (\$540,000), for the two-year term of this Agreement. If additional funding is

awarded for this Agreement for an additional three (3) months, the total maximum Contract Sum shall not exceed Sixty Seven Thousand, Five Hundred Dollars (\$67,500) for the three month period."

5. Paragraph 6, INDEMNIFICATION and Paragraph 7, INSURANCE, of the body of the Agreement shall be deleted entirely and replaced with the following:

"6. INDEMNIFICATION, INSURANCE AND COVERAGE:

A. Indemnification: Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

B. General Insurance Requirements: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its sub-contractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other

insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

C. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor East, Los Angeles, California 90012, Attention: K. Ellis - Contract Administrator, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverage's required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) Days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

D. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.

E. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such

required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

F. Notification of Incidents, Claims or Suits:

Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to the County's Project Manager.

(4) Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property, monies or securities entrusted to

Contractor under the terms of this Agreement.

G. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

H. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure that any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of sub-contractors, or

(2) Contractor providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

I. Insurance Coverage Requirements:

A. General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate: \$2 million

Products/Completed Operations
Aggregate: \$1 million

Personal and Advertising
Injury: \$1 million

Each Occurrence: \$1 million

J. Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

K. Workers Compensation and Employers' Liability: Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U. S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident: \$1 million

Disease - policy limit: \$1 million

Disease - each employee: \$1 million

L. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement."

6. The ADDITIONAL CONTRACT PROVISIONS, shall be deleted in its entirety and replaced with the ADDITIONAL PROVISIONS, attached hereto, and incorporated herein by reference.

7. Exhibit A-1, DESCRIPTION OF SERVICES, shall be amended in its entirety and replaced by Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached to this Amendment and incorporated into this Agreement by reference.

8. Exhibit B-1, BILLING AND PAYMENT, shall be amended in its entirety and replaced by Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached to this Amendment and incorporated into this Agreement by reference.

9. Exhibit C, PROCEDURE CODES AND REIMBURSEMENT RATES, is attached to this Amendment and incorporated into this Agreement by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

RADNET MANAGEMENT, INC.
Contractor

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

By _____
Signature

Printed Name

Deputy County Counsel

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT
ADMINISTRATION:

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMEND3.RadNet.KS:03/5/07

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

DESCRIPTION OF SERVICES

1. SCOPE OF WORK: Contractor shall provide magnetic resonance imaging (MRI), fluoroscopy and other diagnostic and therapeutic services (hereafter "Services") for High Desert Health System (HDHS) (hereafter "County") under this agreement pursuant to the following circumstances: (1) Contractor shall perform all MRI procedures for HDHS patients and other diagnostic and therapeutic procedures, such as, ultrasounds, computed tomography (CT), vascular studies and (2) Contractor shall perform fluoroscopies on a backup basis when the HDHS fluoroscope is inoperable due to maintenance or repairs and, (3) Contractor will perform all nuclear medicine procedures, including nuclear cardiology procedures as the primary contractor of diagnostic and therapeutic procedures for HDHS patients.

2. DEFINED TERMS:

A. County-referred patient shall mean inpatients and outpatients referred by County Facility to Contractor for Services.

B. County-responsible patient shall mean County-referred 1) outpatients who are Medicare covered, or 2) outpatients who are not covered by Medi-Cal, private medical insurance or other third-party coverage and deemed to be County-

responsible under the California Welfare and Institutions Code sections 17000 et seq. by the Director of Health Services or his authorized designee.

C. Third-Party Insured Patient shall mean patients with private medical insurance carriers or other third party coverage, such as HMOs, PPOs, etc.

3. SERVICES TO BE PROVIDED:

A. Contractor shall provide during the term of this Agreement the Services listed in Exhibit C for County-responsible and County-referred patients, unless the delivery of such Services is made impossible due to strikes, force majeure, or other similar causes beyond the control of Contractor.

It is understood and agreed that the Services provided pursuant to this Agreement shall be performed under the supervision of physicians duly licensed to practice medicine in the State of California, and the agreement by Contractor to see that such Services are furnished is not to be construed as Contractor entering into the practice of medicine.

B. All Services must be authorized in advance by County. Proof of such authorization shall be evidenced by a form (hereafter "Authorization Form") issued to the patient by County. Said Authorization Form need not be the original,

but may instead be a photocopy or facsimile and need not be carried by the patient, if it has been transmitted to the Contractor's facility prior to the patient's arrival for diagnosis, or treatment, or both. Invoices without written proof of authorization will not be processed or paid.

C. County shall make special arrangements with Contractor to provide Services for patients who require isolation procedures.

D. Written reports of test results must be on test forms which conform to County's policy and which can be entered directly into County's patient medical records. Each report must contain all data and information as specified by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and by the State Department of Health Services.

E. Contractor shall provide County with the original and any copies all images or films.

F. Contractor shall provide County with a preliminary report within twenty-four (24) hours after provision of Services. A verbal preliminary report shall be provided within twenty-four (24) hours if results are abnormal or upon request of County.

G. Contractor shall hand-deliver all images or films and final written reports to County during County's normal

business hours (8:00 a.m. to 4:30 p.m.), Monday through Friday, at the following address:

High Desert Health System
44900 North 60th Street West
Lancaster, California 93536

Final reports for outpatients must be received by County within five (5) working days after the provision of Services. County shall have no obligation to pay for any late reports.

Reports for "Stat" Services shall be telephoned to County at the following numbers:

(1) Radiology Department at (661) 945-8223 for all X-ray, Ultrasound and Nuclear Medicine Services.

(2) Medical Administration at (661) 945-8303 for all other Services, or as otherwise directed by Hospital Administrator.

4. STANDARD OF CARE:

A. Contractor shall provide for supervision and monitoring of the medical care provided County-responsible or referred patients pursuant to this Agreement, in accordance with recognized standards through regular review of patient medical records by Contractor's appropriately designated medical staff committee(s).

B. Contractor's facility and services shall be in conformance with the standards of JCAHO and with all applicable federal and state statutes, regulations and

related requirements, as amended from time to time, which are applicable to Contractor's provision of Services under this Agreement.

C. County has established a Quality Assessment and Improvement Committee (QA and QI) composed of County employees appointed by Director to review the Services contemplated by this Agreement and to assure a Standard of Care by Contractor and others which is consistent with the laws of the state and federal governments, with County's QA and QI standards, and with the prevailing stands of medical practice in the community. Contractor agrees to adhere to the standards thereby established for its Services and to permit by County's QA and QI Committee representatives of Contractor's patient medical records for County-responsible and referred patients. Such review shall not extend to records medical staff committee.

D. Contractor shall establish and maintain a written QA and QI Program that describes the program's objectives, organization and mechanisms for overseeing the effectiveness of monitoring, evaluation and problem-solving activities. Contractor shall provide a copy of such plan to County within thirty (30) days of the effective date of this Agreement. Such a plan shall be reviewed by County's QA and QI Committee to ensure compliance with the applicable JCAHO standards.

Contractor shall maintain records of peer review plans, audit results, problems identified and corrective actions for a period of seven (7) years from the date such records were prepared, and shall have them available upon request for review County's QA and QI Committee.

5. INFECTION CONTROL: If Contractor's employee(s) is (are) diagnosed with having an infectious disease and such employee(s) has (have) had contact with a County-responsible or referred patient during the usual incubation period for such infectious disease, Contractor shall report such occurrence(s) to Hospital's Employee Health/Infection Control Department at (661) 945-8260.

If a County-responsible or referred patient is diagnosed with having an infectious disease, and such County-responsible or referred patient has had contact with Contractor's employee(s) during the usual incubation period for such infectious disease, County shall report such occurrence(s) to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

6. PHYSICAL EXAMINATION: Contractor shall ensure that each person who performs patient care services under this Agreement is examined by a California licensed physician on an annual or biannual basis, as required by JCAHO and section 70723, Title 22, California Code of Regulations, and shall provide County, upon

request, with written certification that each such person is free of infectious disease(s).

7. EMERGENCY MEDICAL TREATMENT: For County-responsible or referred patients, emergency medical care may be required for physical illness or accident while at Contractor's facility, and where such care is not available at Contractor's facility, Contractor may authorize such emergency care. In such instances, Contractor must notify County of the emergency and the actions taken in accordance with the following procedures:

A. As soon as possible, or within two hours, of the onset of illness or accident, Contractor shall call County at (661) 945-8473 and submit the following information to the Medical Director's Office:

- (1) Name of Contractor;
- (2) Name of patient and medical record;
- (3) Hospital to which patient has been transported if applicable;
- (4) Name of physician attending patient, if possible;
- (5) Complete diagnosis of patient, if available;
- (6) Approximate length of time until patient can be safely transported back to County.

B. Contractor shall submit a written report County's Risk Manager within five (5) working days of the incident.

C. Contractor shall prepare a separate invoice covering

all costs incurred by Contractor in providing such extraordinary care. Such invoice, however, will not be processed or paid unless the above procedures have been followed completely.

SOW.Diag&Ther.Lancaster.03/07.KS

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

BILLING AND PAYMENT

County shall reimburse Contractor for Services rendered pursuant to this Agreement in accordance with the following procedures:

- A. County shall provide Contractor with general billing guidelines for all Services provided to County-responsible or referred patients. Unless otherwise specifically instructed in writing on the patient's Authorization Form, said billing guidelines shall apply to all Services provided under this Agreement.
- B. For all County-responsible or referred patients, County shall identify and determine the financial status of the patient, if possible, prior to the patient's referral to Contractor for Services (i.e., County will determine if the patient has existing Medi-Cal, Medicare or private medical insurance coverage).
- C. County shall provide Contractor with specific, written billing instructions for each County-responsible or referred patient. Such instructions shall be on the Authorization Form hand carried by each patient referred to Contractor by County.
- D. For Third-Party Insured patients, Contractor shall bill the appropriate Third-Party payer for Services rendered and

accept such Third-Party payer payment as payment in full, such as Medicare or Medi-Cal or Private Insurance.

E. For all County-responsible patients, Contractor shall bill County at the rates not to exceed the rates set forth in Exhibit B-2 and Exhibit C of this Agreement. Such rates shall be inclusive of all technical and professional charges and there shall be no separate billing to County for any professional services hereunder.

1. Professional Component shall mean the review and interpretation of diagnostic images which are obtained through the technical component of diagnostic imaging, involving the use of diagnostic imaging equipment and facilities.

2. Technical Component shall mean the use of diagnostic imaging equipment and facility which is obtained through use of a certified technician.

Contractor further agrees that Contractor, its agents, trustees or assignees will look solely to County for payment for Services provided to County-responsible patients and not to the patient.

Where County has identified a patient or service provided as County-responsible and instructed Contractor to "Bill County", and where Contractor determines that said patient has private insurance,

Contractor shall immediately notify County's Billing Department of the discrepancy and verify billing instructions.

F. All bills rendered by Contractor shall be in the name of Contractor as said name appears on the first page of this Agreement.

G. Billing to County shall be in duplicate and shall include the patient's name, date of service, and a detailed description of the services for which claim is made.

H. Billing to County shall be made and forwarded to the accounting office of County within thirty (30) days of the end of the month in which Services were rendered. County shall pay Contractor within thirty (30) days of receipt of a complete and accurate invoice. For billing received more than thirty (30) days after the end of the month in which Services were rendered, County does not guarantee payment in less than ninety (90) days. Billing received over one (1) year after the provision of Services, where County has not caused the delay, will not be paid.

I. In the event the Medicare or Medi-Cal programs, or both, establish revised reimbursement directives, Director is authorized to revise the billing procedures in this Paragraph to comply with such Medicare or Medi-Cal, or both, directives. In such circumstances, Director shall inform

Contractor in writing of the revised billing procedures and the effective date thereof.

Bill/Payment.RadNet.03/07.KS

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Magnetic Resonance Imaging (MRI)		\$375.00
Computed Tomography (CT)		\$250.00
Nuclear Cardiology Imaging (treadmill, Scan, interpretation and report)		\$700.00
Intravenous Pulmonary – Urogram w/Kub	74415	\$99.32
w/Tomos		
Isotopes	(A4646)	\$54.61
Barium Enema w/o air contrast	74270	\$51.91
Barium Enema w/ air contrast	74280	\$60.59
Upper Gastro Intestinal (GI) air contrast w/Kub	74247	\$75.29
Upper GI – air contrast w/ small bowel study	74245	\$76.13
Small bowel study – Routine	74250	\$60.59
Esophagram	74220	\$38.09
Cystourethrogram – Routine	74450	\$41.52
Injection for bladder x-ray	51600	\$256.89
Voiding Cystourethrogram – Routine	74455	\$60.59
Injection for bladder x-ray	51600	\$256.89
Fluoroscopy – Sniff Test	76000	\$27.96
Fluoroscopy Fistulogram Sinogram	76080	\$41.79
Injection Sinus Tract for x-ray	20501	\$223.38
Ultrasound, breast, unilateral	76645	\$77.58
Unilateral mammography	76090	\$74.00
Bilateral mammography	76091	\$90.00
Yearly screening (w/cost +10%)	76092	\$65.00
Arterial, upper extremity	93922	\$75.36
Arterial, leg	93923	\$140.11
Venous, leg	93965	\$81.12
Vascular Venous, bilateral	93970	\$230.21
Vascular Venous, unilateral	93971	\$153.50

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Carotid Routine	93980	\$216.06
Vascular Aorta, Iliacs	93978	\$216.06
Testicular, Doppler flow	76870	\$103.72

NUCLEAR MEDICINE EXAMS

Thyroid Uptake and Scan	78007	\$69.22
Nuclear Exams of thyroid	78001	\$34.61
Isotopes	A9516	Cost +10%
Thyroid Therapy (Ablation) 29.9 Mci max.	79030	\$69.22
Isotopes	A9517	Cost +10%
Parathyroid Imaging	78070	\$96.11
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Whole Body	78306	\$141.03
Establish access to vein	36000	\$26.06
Isotopes	Q3009	Cost +10%
Bone Scan, Limited	78300	\$80.91
Establish access to vein	36000	\$26.06
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Spect	78320	\$246.24
Isotopes	Q3009	Cost +10%
Liver Spleen Scan w/Vascular Flow	78216	\$115.98
Isotopes	A9520	Cost +10%
Kidney Scan w/Vascular flow/function Captopril	78700	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/Diuretic	78708	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/o Diuretic	78707	\$192.95
Isotopes	A4641	Cost +10%
Gallbladder Scan – Hida	78223	\$108.14
Isotopes	A9513	Cost +10%

Exhibit C

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Gallium Tumor Scan – Limited	78800	\$89.12
Isotopes	Q3002	Cost +10%
Gallium Tumor Scan – Whole Body	78802	\$154.90
Isotopes	Q3002	Cost +10%
Muga Scan	78472	\$167.77
Heart Wall Motion add-on	78478	\$58.87
Heart Function add-on	78480	\$58.87
Isotopes	Q3010	Cost +10%

All other Radiology diagnostic and therapeutic procedures will be billed @ 100% of current Medi-Cal rates.

CONTRACT FOR
SERVICES
NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

RadNet Management, Inc.

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

RadNet Management, Inc.

Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

ADDITIONAL PROVISIONS
DEPARTMENT OF HEALTH SERVICES
DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

AddProv. w/
Revised 03/07

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ADDITIONAL PROVISIONS
DEPARTMENT OF HEALTH SERVICES
DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

1. ADMINISTRATION: County's Director of Health Services or his/her authorized designee(s) (hereafter collectively "Director") shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director the right to review and monitor Contractor's programs, policies, procedures, and financial and/or other records, and to inspect its facilities for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit, to Contracts and Grants Section, a statement executed by Contractor's duly constituted officers, containing the following information:

(1) The form of Contractor's business organization, i.e., sole-proprietorship, partnership, or corporation.

(2) Articles of Incorporation and by-laws.

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another business organization.

(4) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services, supplies,

materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(5) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or the Contractor's ownership of other businesses dealing with Contractor under this Agreement changes, Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Contracts and Grants, within ten (10) calendar days following execution of this Agreement a statement, executed by Contractor's duly constituted officers, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor including private contributions. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify Contracts and Grants in writing detailing such changes.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, in accordance with requirements of federal and State laws, or in any manner on the basis of the client's/ patient's sexual orientation. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-equivalent manner, or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national

origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation.

Facility access for handicapped must comply with the Rehabilitation Act of 1973, Section 504, where federal funds are involved, and the Americans with Disabilities Act.

Contractor shall further establish and maintain written procedures under which any person, applying for or receiving services hereunder, may seek resolution from Contractor of a complaint with respect to any alleged discrimination in the provision of services by Contractor's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with Contractor's resolution of the matter, shall be referred by High Desert Health System's Director (hereafter collectively "Facility Director"), for the purpose of presenting his or her complaint of alleged discrimination. Such procedures shall also indicate that if such person is not satisfied with County's resolution or decision with respect to the complaint of alleged discrimination, he or she may appeal the matter to the State Department of Health Services' Affirmative Action Division. At the time any person applies for services under this Agreement, he or she shall be advised by Contractor of these procedures. A copy of such nondiscrimination in services policy and procedures, as identified hereinabove, shall be posted by Contractor in a

conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided hereunder.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the Americans with Disabilities Act, the Rehabilitation Act of 1973, and all other federal and State laws, as they now exist or may hereafter be amended, that it shall not discriminate against any employee or applicant for employment because of, race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, or sexual orientation. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation in accordance with requirements of federal and State laws. Such action shall include, but shall not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall post in conspicuous places in each of Contractor's facilities

providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract of understanding a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractors, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its

employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any provisions of this Paragraph have been violated, the same shall constitute a material breach of contract upon which Director may suspend or County may determine to terminate this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Paragraph, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California

Civil Code Section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless

County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a re-employment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

8. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence ("GAIN") or General Relief Opportunity for Work ("GROW") Programs who meet

Contractor's minimum qualifications for the open position. The County will refer GAIN/GROW participants by job category to the Contractor.

9. RECORDS AND AUDITS:

A. Client/Patient Records: If clients/patients are treated hereunder, Contractor shall maintain adequate treatment records in accordance with all applicable federal and State laws as they are now enacted or may hereafter be amended on each client/patient which shall include, but shall not be limited to, diagnostic studies, a record of client/patient interviews, progress notes, and a record of services provided by the various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services. Client/patient records shall be retained for a minimum of seven (7) years following the expiration or earlier termination of this Agreement, except that the records of un-emancipated minors shall be kept at least one (1) year after such minor has reached the age of eighteen (18) years and in any case not less than seven (7) years, or until federal, State, and/or County audit findings applicable to such services are resolved, whichever is later. Client/patient records shall be retained by Contractor at a location in Southern California and shall be made available at reasonable times to authorized

representatives of federal, State, and/or County governments during the term of this Agreement and during the period of record retention for the purpose of program review, financial evaluation, and/or fiscal audit. In addition to the requirements set forth under this Paragraph, Contractor shall comply with any additional record requirements which may be included in the exhibits(s) attached hereto and nothing in the Agreement shall be deemed to limit the obligations set forth in this Paragraph.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with written guidelines, standards, and procedures which may from time to time be promulgated by Director. Such records shall clearly reflect the actual cost of the type of service for which payment is claimed and shall include, but not be limited to:

(1) Books of original entry which identify all designated donations, grants, and other revenues, including County, federal, and State revenues and all costs by type of service.

(2) A General Ledger.

(3) A written cost allocation plan which shall include reports, studies, statistical surveys,

and all other information Contractor used to identify and allocate indirect costs among Contractor's various services. Indirect costs shall mean those costs incurred for a common or joint objective which cannot be identified specifically with a particular project or program

(4) If clients/patients are treated hereunder, financial folders clearly documenting:

(a) Contractor's determination of clients'/patients' eligibility for Medi-Cal, medical insurance, and other coverage.

(b) Reasonable efforts to collect charges from the client/patient, his/her family, his/her insurance company, and responsible persons.

(5) If clients/patients are treated hereunder, individual client/patient account receivable ledgers indicating the type and amount of charges incurred and payments by source and service type shall be maintained.

(6) Personnel records which show the percentage of time worked providing services claimed under this Agreement. Such records shall be corroborated by payroll timekeeping records, signed by

the employee and approved by the employee's supervisor, which show time distribution by programs and the accounting for total worktime on a daily basis. This requirement applies to all program personnel, including the person functioning as the executive director of the program, if such executive director provides services claimed under this Agreement.

(7) Personnel records which account for the total worktime of personnel identified as indirect costs in the approved contract budget. Such records shall be corroborated by payroll timekeeping records signed by the employee and approved by the employee's supervisor. This requirement applies to all such personnel, including the executive director of the program, if such executive director provides services claimed under this Agreement.

The entries in all of the aforementioned accounting and statistical records must be readily traceable to applicable source documentation (e.g., employee timecards, remittance advice, vendor invoices, appointment logs, client/patient ledgers). The client/patient eligibility determination and fees charged to, and collected from clients/patients must also be reflected therein. All financial records shall

be retained by Contractor at a location in Southern California during the term of this Agreement and for a minimum period of five (5) years following expiration or earlier termination of this Agreement, or until federal, State and/or County audit findings are resolved, whichever is later. During such retention period, all such records shall be made available during normal business hours to authorized representatives of federal, State, or County governments for purposes of inspection and audit. In the event records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other costs incurred by County for any inspection and audit at such other location.

C. Preservation of Records: If following termination of this Agreement Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove.

D. Audit Reports: In the event that an audit of any or all aspects of this Agreement is conducted of Contractor by any federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, Contractor

shall file a copy of each such audit report(s) with the County's Department of Health Services ("DHS") Contracts and Grants Section, and County's Auditor Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided for under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s).

E. Independent Audit: Contractor's financial records shall be audited by an independent auditor for every year that this Agreement is in effect.

The audit shall satisfy the requirement of the Federal Office of Management and Budget (OMB) Circular Number A-133. The audit shall be made by an independent auditor in accordance with Governmental Financial Auditing Standards developed by the Comptroller General of the United States, and any other applicable federal, State, or County statutes, policies, or guidelines. Contractor shall complete and file such audit report(s) with the County's DHS - no later than the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period.

If the audit report(s) is not delivered by Contractor to County within the specified time, Director may

withhold all payments to Contractor under all service agreements between County and Contractor until such report(s) is delivered to County.

The independent auditor's workpapers shall be retained for a minimum of three (3) years from the date of the report, unless the auditor is notified in writing by County to extend the retention period. Audit workpapers shall be made available for review by federal, State, or County representatives upon request.

F. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") Section 1395x(v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any

subcontract with a value or cost of Ten Thousand Dollars (\$10,000), or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

G. Program/Fiscal Review: In the event County representatives conduct a program review or financial evaluation of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial records, medical records, program records, and any other records pertaining to services provided under this Agreement. Additionally, Contractor shall make its personnel, facilities, and medical protocols available for inspection at reasonable times by authorized representatives of County. Contractor shall be provided with a copy of any written program review or financial evaluation reports. Contractor shall have the opportunity to review County's program review and financial evaluation reports, and shall have thirty (30) calendar days after receipt of County's findings to review the results and to provide documentation to

County to resolve exceptions. If, at the end of the thirty (30) day period, there remain exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results thereafter shall be applied to the total County payments made to Contractor for all claims paid during the program review or financial evaluation period under review to determine Contractor's liability to County.

H. Failure to Comply: Failure of Contractor to comply with the terms of this Paragraph shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

10. REPORTS:

A. Contractor shall submit to County the following reports showing timely payment of employees' federal and State income tax withholding:

(1) Within ten (10) calendar days of filing with the federal or State government, a copy of the federal and State quarterly income tax withholding return, Federal Form 941, and State Form DE-3 or their equivalent.

(2) Within ten (10) calendar days of each payment, a copy of a receipt for or other proof of payment of federal and State employees' income tax withholding whether such payments are made on a monthly or quarterly basis.

Required submission of the above quarterly and monthly reports by Contractor may be waived by Director based on Contractor's performance reflecting prompt and appropriate payment of obligations. Requirements of this Subparagraph A shall not apply to governmental agencies.

B. Contractor shall make other reports as required by Director concerning Contractor's activities as they affect the contract duties and purposes contained herein. In no event, however, may County require such reports unless it has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. County shall provide Contractor with a written explanation of the procedures for reporting the required information.

11. ANNUAL COST REPORT:

A. For each year, or portion thereof, that this Agreement is in effect, Contractor shall provide to County's DHS - one (1) original and one (1) copy of an annual cost report within thirty (30) calendar days following the close

of the contract period. Such cost report shall be prepared in accordance with generally accepted accounting principles, cost report forms, and instructions provided by County.

B. If this Agreement is terminated prior to the close of the contract period, the annual cost report shall be for that Agreement period which ends on the termination date. One (1) original and one (1) copy of such report shall be submitted within thirty (30) calendar days after such termination date to County's DHS. .

C. The primary objective of the annual cost report shall be to provide County with actual revenue and expenditure data for the contract period that shall serve as the basis for determining final amounts due to/from Contractor.

D. If the Annual Cost Report is not delivered by Contractor to County within the specified time, Director may withhold all payments to Contractor under all service agreements between County and Contractor until such report is delivered to County.

12. PUBLIC ANNOUNCEMENTS AND LITERATURE: Contractor agrees that all materials, public announcements, literature, audiovisuals, and printed materials utilized in association with this Agreement, shall have prior written approval from the Director or his/her designee prior to its publication, printing,

duplication, and implementation with this Agreement. All such materials, public announcements, literature, audiovisuals, and printed material shall include an acknowledgment that funding for such public announcements, literature, audiovisuals, and printed materials was made possible by the County of Los Angeles, Department of Health Services, and other applicable funding sources.

Contractor further agrees that all public announcements, literature, audiovisuals, and printed material developed or acquired by Contractor or otherwise, in whole or in part, under this Agreement, and all works based thereon, incorporated therein, or derived therefrom, shall be the sole property of County.

Contractor hereby assigns and transfers to County in perpetuity for all purposes all Contractor's rights, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

With respect to any such items which come into existence after the commencement date of the Agreement, Contractor shall assign and transfer to County in perpetuity for all purposes, without any additional consideration, all Contractor's rights, title, and interest in and to all such items, including, but not

limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

For the purposes of this Agreement, all such items shall include, but not be limited to, written materials (e.g., curricula, text for vignettes, text for public service announcements for any and all media types, pamphlets, brochures, fliers), audiovisual materials (e.g., films, videotapes), and pictorials (e.g., posters and similar promotional and educational materials using photographs, slides, drawings, or paintings).

13. CONFIDENTIALITY: Contractor agrees to maintain the confidentiality of its records and information including, but not limited to, billings, County records, and client/patient records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of said confidentiality provision of this Agreement. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising out of any disclosure of such records and information by Contractor, its officers, employees, agents, and subcontractors.

14. RESTRICTIONS ON LOBBYING:

A. Federal Certification and Disclosure Requirement:

Because federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (Title 31, U.S.C., Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

B. County Lobbyists: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

15. UNLAWFUL SOLICITATION: Contractor shall require all of its employees performing services hereunder to acknowledge in writing understanding of and agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing

with Section 6150) of the Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral services of all those bar associations within Los Angeles County that have such a service.

16. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegate or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegate or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction of claims

which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County's Board of Supervisors in accordance with applicable provisions of this Agreement.

Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities,

obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

17. SUBCONTRACTING:

A. For purposes of this Agreement, subcontracts shall be approved by County's Director or his/her authorized designee(s). Contractor's request to Director for approval of a subcontract shall include:

(1) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including a description of Contractor's efforts to obtain competitive bids.

(2) A description of the services to be provided under the subcontract.

(3) The proposed subcontract amount, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which

must be approved in writing by Director before such amendment is effective.

B. Subcontracts issued pursuant to this Paragraph shall be in writing and shall contain at least the intent of all of the Paragraphs of the body of this Agreement, including the ADDITIONAL PROVISIONS, and the requirements of the exhibits(s) and schedule(s) attached hereto.

C. At least thirty (30) calendar days prior to the subcontract's proposed effective date, Contractor shall submit for review and approval to Director, a copy of the proposed subcontract instrument. With the Director's written approval of the subcontract instrument, the subcontract may proceed.

D. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors.

18. BOARD OF DIRECTORS: Contractor's Board of Directors shall serve as the governing body of the agency. Contractor's Board of Directors shall be comprised of individuals as described

in its by-laws; meet not less than required by the by-laws; and record statements of proceedings which shall include listings of attendees, absentees, topics discussed, resolutions, and motions proposed with actions taken, which shall be available for review by federal, State, or County representatives. The Board of Directors shall have a quorum present at each Board meeting where formal business is conducted. A quorum is defined as one person more than half of the total Board membership.

Contractor's Board of Directors shall oversee all agency contract-related activities. Specific areas of responsibility shall include executive management, personnel management, fiscal management, fund raising, public education and advocacy, Board recruitment and Board member development, i.e., training and orientation of new Board members and ongoing in-service education for existing members.

19. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by federal, State, and local law for the operation of its business and for the provision of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations,

accreditations, and certificates required by federal, State, and local law which are applicable to their performance hereunder. Contractor shall provide a copy of each license, permit, registration, accreditation, and certificate upon request of County's DHS - at any time during the term of this Agreement

20. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all federal, State, and local laws, ordinances, regulations, rules, and directives, applicable to its performance hereunder, as they are now enacted or may hereafter be amended.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, ordinances, regulations, rules, or directives.

21. KNOX-KEENE HEALTH CARE SERVICES REQUIREMENTS:

Contractor shall maintain all applicable books and records regarding services rendered to members of the County of Los Angeles Community Health Plan ("CHP") for a period of five (5) years from the expiration or earlier termination of this Agreement.

During such period, as well as during the term of this Agreement, Director or, the State Department of Managed Health

Care or both, reserve the right to inspect at reasonable times upon demand, Contractor's books and records relating to: (1) the provision of health care services to CHP members; (2) the costs thereof; (3) co-payments received by Contractor from CHP members, if any; and (4) the financial condition of Contractor.

Contractor shall maintain such books and records and provide such information to the Director, and to the State Department of Managed Health Care as may be necessary for compliance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code Sections 1340, et seq.) and all rules and regulations adopted pursuant thereto.

Upon expiration or earlier termination of this Agreement, County shall be liable for payment of covered services rendered by Contractor to a CHP member, who retains eligibility either under the applicable CHP agreement or by operation of law, and who remains under the care of Contractor at the time of such expiration or earlier termination until the services being rendered to the CHP member by Contractor are completed or County makes reasonable and medically appropriate provisions for the assumption of such services.

22. CONFLICT OF INTEREST:

A. No County employee whose position in County enables him/her to influence the award or administration of this Agreement or any competing agreement, and no spouse or

economic dependent of such employee, shall be employed in any capacity by Contractor, or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances.

23. PURCHASES:

A. Purchase Practices: Contractor shall fully comply with all federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in acquiring all furniture, fixtures, equipment, materials, and

supplies. Such items shall be acquired at the lowest possible price or cost if funding is provided for such purposes hereunder.

B. Proprietary Interest of County: In accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, County shall retain all proprietary interest, except their use during the term of this Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or obtained by Contractor using any contract funds designated for such purpose. Upon the expiration or earlier termination of this Agreement, the discontinuance of the business of Contractor, the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any judgement against it within thirty (30) calendar days of filing, County shall have the right to take immediate possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with Contractor, shall attach identifying labels on all such property indicating the proprietary interest of County.

C. Inventory Records, Controls, and Reports:

Contractor shall maintain accurate and complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose. Within ninety (90) calendar days following the effective date of this Agreement, Contractor shall provide Director with an accurate and complete inventory report of all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose

D. Protection of Property in Contractor's Custody:

Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose, against any damage or loss by fire, burglary, theft, disappearance, vandalism, or misuse. Contractor shall contact , Contracts and Grants Section, for instructions for disposition of any such property which is worn out or unusable.

E. Disposition of Property in Contractor's Custody:

Upon the termination of the funding of any program covered by this Agreement, or upon the expiration or earlier termination of this Agreement, or at any other time that County may request, Contractor shall: (1) provide access to

and render all necessary assistance for physical removal by Director or his authorized representatives of any or all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose, in the same condition as such property was received by Contractor, reasonable wear and tear expected; or (2) at Director's option, deliver any or all items of such property to a location designated by Director. Any disposition, settlement, or adjustment connected with such property shall be in accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives.

24. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the locations where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facilities shall include a review of compliance with the provisions of this Paragraph.

25. RETURN OF COUNTY MATERIALS: At expiration or earlier termination of this Agreement, Contractor shall provide an accounting of any unused or unexpended supplies purchased by Contractor with funds obtained pursuant to this Agreement and shall deliver such supplies to County upon County's request.

26. STAFFING: Contractor shall operate continuously throughout the term of this Agreement with at least the minimum number of staff required by County. Such personnel shall be qualified in accordance with standards established by County. In addition, Contractor shall comply with any additional staffing requirements which may be included in the exhibit(s) attached hereto.

During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of persons by name, title, professional degree, salary, and experience who are providing services hereunder. Contractor also shall indicate on such list which persons are appropriately qualified to perform services hereunder. If an executive director, program director, or supervisorial position becomes vacant during the term of this Agreement, Contractor shall, prior to filling said vacancy, notify County's Director. Contractor shall provide the above set forth required information to County's Director regarding any candidate prior to any appointment. Contractor shall institute

and maintain appropriate supervision of all persons providing services pursuant to this Agreement.

27. TRAINING/STAFF DEVELOPMENT: Contractor shall institute and maintain a training/staff development program pertaining to those services described in the exhibit(s) attached hereto. Appropriate training/staff development shall be provided for treatment, administrative, and support personnel. Participation of treatment and support personnel in training/staff development should include in-service activities. Such activities shall be planned and scheduled in advance; and shall be conducted on a continuing basis. Contractor shall develop and institute a plan for an annual evaluation of such training/staff development program.

28. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, or other

compensation or benefits to any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole liability and responsibility for any and all workers' compensation benefits to any person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

D. Acknowledgment that each of Contractor's employees understands that such person is an employee of Contractor and not an employee of County shall be signed by each employee of Contractor performing services under this Agreement. A copy of such written notice shall be retained by the Contractor for the purposes of inspection and audit and made available to County upon request. The form and content of such acknowledgment shall be substantially similar to the form entitled "EMPLOYEE'S ACKNOWLEDGMENT OF EMPLOYER", attached hereto and incorporated herein by reference.

29. TERMINATION FOR INSOLVENCY:

A. County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Code or not;

(2) The filing of a voluntary or involuntary petition under the Federal Bankruptcy Code;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

B. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

30. TERMINATION FOR DEFAULT:

A. County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

(1) If, as determined in the sole judgement of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

(2) If, as determined in the sole judgement of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

B. In the event that County terminates this Agreement as provided in Subparagraph A, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs

incurred by County, as determined by County, for such similar services

C. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

31. TERMINATION FOR CONVENIENCE: This Agreement may be terminated, with or without cause, by Contractor upon giving of at least thirty (30) calendar days' advance written notice to County. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder.

Director may also suspend the performance of services hereunder, in whole or in part, effective upon Contractor's receipt of County's written notice. County's notice shall set forth the reasons for the suspension, the extent of the suspension, and the requirements for full restoration of the performance obligations.

The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance

of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, agents, or employees to comply with the terms of this Agreement or any written directives by or on behalf of County issued pursuant hereto shall constitute a material breach hereto and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

In the event of termination or suspension of this Agreement, Contractor shall:

1. If clients/patients are treated hereunder, make immediate and appropriate plans to transfer or refer all clients/patients treated under this Agreement to other agencies for continuing care in accordance with the client's/patient's needs. Such plans shall be approved by Director, except in such instance, as determined by Contractor, where an immediate client/patient transfer or

referral is indicated. In such instances, Contractor may make an immediate transfer or referral.

2. . Immediately eliminate all new costs and expenses under this Agreement. New costs and expenses include, but are not limited to, those associated with new client/patient admissions. In addition, Contractor shall immediately minimize all other costs and expenses under this Agreement. Contractor shall be reimbursed only for reasonable and necessary costs or expenses incurred after receipt of notice of termination.

3. Promptly report to County in writing all information necessary for the reimbursement of any outstanding claims and continuing costs.

4. Notwithstanding the provisions of any other Paragraph of this Agreement or Additional Provision, provide to County's within thirty (30) calendar days after such termination date, an annual cost report as set forth in the ANNUAL COST REPORT Paragraph, hereunder.

a. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

After receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its

termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor, for a period of five (5) years after final settlement under this Agreement, shall make available to County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) working days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit.

32. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

33. PROHIBITION AGAINST PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or physician performs services while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within two (2) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

36. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

37. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other

breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

38. SEVERABILITY: If any provisions of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

39. GOVERNING LAWS: This Agreement shall be construed in accordance with and governed by the laws of the State of California.

40. JURISDICTION AND VENUE: Contractor hereby agrees to submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action (other than an appeal or an enforcement of a judgement) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

41. RESOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier

termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and its DHS shall make the determination to re-solicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

42. NON-EXCLUSIVITY: Contractor acknowledges that it is not the exclusive provider to County of the services to be provided under this Agreement, that County has, or intends to enter into, contracts with other providers of such services, and that County reserves the right to itself perform the services with its own County personnel. During the term of this Agreement, Contractor agrees to provide County with the services described in the Agreement.

43. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities

they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster, or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which Director may suspend or County may immediately terminate this Agreement.

44. COUNTY'S QUALITY ASSURANCE PLAN: County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

45. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who

benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act {(42 USC Section 653a)} and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

46. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:
Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 47 "CONTRACTOR'S CHILD WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM", shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to

County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

47. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

48. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notices shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

49. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which

generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a non profit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is

presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds

that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of

debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to any subcontractors of County Contractors.

50. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it, nor any of its owners, officers, partners, directors or principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner director, or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it

or any of its subcontractors or any principals of either being suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

51. RULES AND REGULATIONS: During the time that Contractor's personnel are at County Facilities such persons shall be subject to the rules and regulations of such County Facility. It is the responsibility of Contractor to acquaint persons who are to provide services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its personnel from the provision of services hereunder upon receipt of oral or written notice from Director, that (1) such person has violated said rules or regulations, or (2) such person's actions, while on County premises, indicate that such person may do harm to County patients.

52. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or

selling agencies maintained by Contractor for the porpoise of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

53. PURCHASING RECYCLED-CONTENT BOND PAPER: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

54. COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM: This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a

written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the

provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. Attached hereto, is the required form, "County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception", to be completed by the Contractor.

D. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

55. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

56. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is

set forth herein and is also available on the Internet at www.babysafela.org for printing purposes.

57. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

58. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit F, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions

without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202).

59. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996:

The performance of Contractor's obligations under the Agreement could require Contractor's receipt of, or access to, Protected Health Information, as such term is defined in Attachment A (Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996).

Contractor and County hereby agree to be bound by the terms and conditions of the Business Associate Protected Health Information Disclosure Agreement (Attachment A) (hereafter "Business Associate Agreement") by and between Contractor (referred to in Attachment A as "Business Associate") and County (referred to in Attachment A as "Covered Entity") for the term of this Agreement and as provided in the Business Associate Agreement.

60. BUDGET REDUCTIONS: In the event that County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and

any subsequent fiscal year for services provided by Contractor under this Agreement. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement.

61. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

ADD. PROV. DIAG. 03/07.KS

**CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE
UNDER THE HEALTH INSURANCE PORTABILITY AND
ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.
- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.
- 1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 "Services" has the same meaning as in the body of this Agreement.
- 1.9 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities:
However, Business Associate is not required to provide an accounting of Disclosures that are

necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
 "County")

and VALLEY TUMOR MEDICAL GROUP, A
 MEDICAL CORPORATION, formerly known
 as Valley Tumor Radiation
 (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT" dated March 30,
1999, and further identified as County Agreement Number
H-210778, and any Amendments thereto (all hereafter referred to
as "Agreement");

WHEREAS, the Medical Center shall retain professional and
administrative responsibility for the services provided under
this Agreement; and

WHEREAS, it is the intent of the parties hereto to extend
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written Amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective April 1, 2007.
2. Paragraph 1, TERM AND TERMINATION of the body of this Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence April 1, 2007, and shall continue in full force and effect to and including March 31, 2009, unless terminated sooner pursuant to the terms of this Agreement. The term of this Agreement may be extended by Director beyond the stated expiration date on a month-to-month basis, for a period of time not to exceed three months, upon mutual agreement of the parties. All provisions of the Agreement in effect on the date the term commences shall remain in effect for the duration of the extension period. If County and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of March 31, 2009, then the Agreement shall expire on such date.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail

to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the County."

3. Paragraph 3, DESCRIPTION OF SERVICES, of the body of the Agreement shall be amended to read as follows:

"3. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange

for the provision of the specialty medical services described in Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached hereto and incorporated herein by reference."

4. Paragraph 4, BILLING AND PAYMENT, of the body of the Agreement shall be amended to read as follows:

"4. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions, and rates set forth in Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached hereto and incorporated herein by reference."

A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the Tasks, Subtasks, Deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Four Hundred Seventy Four Thousand Dollars (\$474,000), for

the two-year term of this Agreement. If additional funding is awarded for this Agreement for an additional three (3) months, the total maximum Contract Sum shall not exceed Fifty Nine Thousand, Two Hundred Fifty Dollars (\$59,250) for the three month period."

5. Paragraph 6, INDEMNIFICATION and Paragraph 7, INSURANCE, of the body of the Agreement shall be deleted entirely and replaced with the following:

"6. INDEMNIFICATION, INSURANCE AND COVERAGE:

A. Indemnification: Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

B. General Insurance Requirements: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its sub-contractors to maintain, the following programs of insurance specified in this Agreement. Such insurance

shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

C. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor East, Los Angeles, California 90012, Attention: K. Ellis - Contract Administrator, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverage's required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) Days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from

this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

D. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.

E. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said

breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

F. Notification of Incidents, Claims or Suits:

Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to the County's Project Manager.

(4) Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County

property, monies or securities entrusted to Contractor under the terms of this Agreement.

G. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

H. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure that any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of sub-contractors, or

(2) Contractor providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

I. Insurance Coverage Requirements:

A. General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate: \$2 million

Products/Completed Operations
Aggregate: \$1 million

Personal and Advertising
Injury: \$1 million

Each Occurrence: \$1 million

J. Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

K. Workers Compensation and Employers' Liability:
Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U. S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident: \$1 million

Disease - policy limit: \$1 million

Disease - each employee: \$1 million

L. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement."

6. The ADDITIONAL CONTRACT PROVISIONS, shall be deleted in its entirety and replaced with the ADDITIONAL PROVISIONS, attached hereto, and incorporated herein by reference.

7. Exhibit A-1, DESCRIPTION OF SERVICES, shall be amended in its entirety and replaced by Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached to this Amendment and incorporated into this Agreement by reference.

8. Exhibit B-1, BILLING AND PAYMENT, shall be amended in its entirety and replaced by Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached to this Amendment and incorporated into this Agreement by reference.

9. Exhibit C, PROCEDURE CODES AND REIMBURSEMENT RATES, is attached to this Amendment and incorporated into this Agreement by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

VALLEY TUMOR MEDICAL GROUP
Contractor

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

By _____
Signature

Printed Name

Deputy County Counsel

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT
ADMINISTRATION:

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMEND4.Valley.KS:03/5/07

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

DESCRIPTION OF SERVICES

1. SCOPE OF WORK: Contractor shall provide magnetic resonance imaging (MRI), fluoroscopy and other diagnostic and therapeutic services (hereafter "Services") for High Desert Health System (HDHS) (hereafter "County") under this agreement pursuant to the following circumstances: (1) Contractor shall perform all MRI procedures for HDHS patients and other diagnostic and therapeutic procedures, such as, ultrasounds, computed tomography (CT), vascular studies and (2) Contractor shall perform fluoroscopies on a backup basis when the HDHS fluoroscope is inoperable due to maintenance or repairs and, (3) Contractor will perform all nuclear medicine procedures, including nuclear cardiology procedures as the primary contractor of diagnostic and therapeutic procedures for HDHS patients.

2. DEFINED TERMS:

A. County-referred patient shall mean inpatients and outpatients referred by County Facility to Contractor for Services.

B. County-responsible patient shall mean County-referred 1) outpatients who are Medicare covered, or 2) outpatients who are not covered by Medi-Cal, private medical insurance or other third-party coverage and deemed to be County-

responsible under the California Welfare and Institutions Code sections 17000 et seq. by the Director of Health Services or his authorized designee.

C. Third-Party Insured Patient shall mean patients with private medical insurance carriers or other third party coverage, such as HMOs, PPOs, etc.

3. SERVICES TO BE PROVIDED:

A. Contractor shall provide during the term of this Agreement the Services listed in Exhibit C for County-responsible and County-referred patients, unless the delivery of such Services is made impossible due to strikes, force majeure, or other similar causes beyond the control of Contractor.

It is understood and agreed that the Services provided pursuant to this Agreement shall be performed under the supervision of physicians duly licensed to practice medicine in the State of California, and the agreement by Contractor to see that such Services are furnished is not to be construed as Contractor entering into the practice of medicine.

B. All Services must be authorized in advance by County. Proof of such authorization shall be evidenced by a form (hereafter "Authorization Form") issued to the patient by County. Said Authorization Form need not be the original,

but may instead be a photocopy or facsimile and need not be carried by the patient, if it has been transmitted to the Contractor's facility prior to the patient's arrival for diagnosis, or treatment, or both. Invoices without written proof of authorization will not be processed or paid.

C. County shall make special arrangements with Contractor to provide Services for patients who require isolation procedures.

D. Written reports of test results must be on test forms which conform to County's policy and which can be entered directly into County's patient medical records. Each report must contain all data and information as specified by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and by the State Department of Health Services.

E. Contractor shall provide County with the original and any copies all images or films.

F. Contractor shall provide County with a preliminary report within twenty-four (24) hours after provision of Services. A verbal preliminary report shall be provided within twenty-four (24) hours if results are abnormal or upon request of County.

G. Contractor shall hand-deliver all images or films and final written reports to County during County's normal

business hours (8:00 a.m. to 4:30 p.m.), Monday through Friday, at the following address:

High Desert Health System
44900 North 60th Street West
Lancaster, California 93536

Final reports for outpatients must be received by County within five (5) working days after the provision of Services. County shall have no obligation to pay for any late reports.

Reports for "Stat" Services shall be telephoned to County at the following numbers:

(1) Radiology Department at (661) 945-8223 for all X-ray, Ultrasound and Nuclear Medicine Services.

(2) Medical Administration at (661) 945-8303 for all other Services, or as otherwise directed by Hospital Administrator.

4. STANDARD OF CARE:

A. Contractor shall provide for supervision and monitoring of the medical care provided County-responsible or referred patients pursuant to this Agreement, in accordance with recognized standards through regular review of patient medical records by Contractor's appropriately designated medical staff committee(s).

B. Contractor's facility and services shall be in conformance with the standards of JCAHO and with all applicable federal and state statutes, regulations and

related requirements, as amended from time to time, which are applicable to Contractor's provision of Services under this Agreement.

C. County has established a Quality Assessment and Improvement Committee (QA and QI) composed of County employees appointed by Director to review the Services contemplated by this Agreement and to assure a Standard of Care by Contractor and others which is consistent with the laws of the state and federal governments, with County's QA and QI standards, and with the prevailing stands of medical practice in the community. Contractor agrees to adhere to the standards thereby established for its Services and to permit by County's QA and QI Committee representatives of Contractor's patient medical records for County-responsible and referred patients. Such review shall not extend to records medical staff committee.

D. Contractor shall establish and maintain a written QA and QI Program that describes the program's objectives, organization and mechanisms for overseeing the effectiveness of monitoring, evaluation and problem-solving activities. Contractor shall provide a copy of such plan to County within thirty (30) days of the effective date of this Agreement. Such a plan shall be reviewed by County's QA and QI Committee to ensure compliance with the applicable JCAHO standards.

Contractor shall maintain records of peer review plans, audit results, problems identified and corrective actions for a period of seven (7) years from the date such records were prepared, and shall have them available upon request for review County's QA and QI Committee.

5. INFECTION CONTROL: If Contractor's employee(s) is (are) diagnosed with having an infectious disease and such employee(s) has (have) had contact with a County-responsible or referred patient during the usual incubation period for such infectious disease, Contractor shall report such occurrence(s) to Hospital's Employee Health/Infection Control Department at (661) 945-8260.

If a County-responsible or referred patient is diagnosed with having an infectious disease, and such County-responsible or referred patient has had contact with Contractor's employee(s) during the usual incubation period for such infectious disease, County shall report such occurrence(s) to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

6. PHYSICAL EXAMINATION: Contractor shall ensure that each person who performs patient care services under this Agreement is examined by a California licensed physician on an annual or biannual basis, as required by JCAHO and section 70723, Title 22, California Code of Regulations, and shall provide County, upon

request, with written certification that each such person is free of infectious disease(s).

7. EMERGENCY MEDICAL TREATMENT: For County-responsible or referred patients, emergency medical care may be required for physical illness or accident while at Contractor's facility, and where such care is not available at Contractor's facility, Contractor may authorize such emergency care. In such instances, Contractor must notify County of the emergency and the actions taken in accordance with the following procedures:

A. As soon as possible, or within two hours, of the onset of illness or accident, Contractor shall call County at (661) 945-8473 and submit the following information to the Medical Director's Office:

- (1) Name of Contractor;
- (2) Name of patient and medical record;
- (3) Hospital to which patient has been transported if applicable;
- (4) Name of physician attending patient, if possible;
- (5) Complete diagnosis of patient, if available;
- (6) Approximate length of time until patient can be safely transported back to County.

B. Contractor shall submit a written report County's Risk Manager within five (5) working days of the incident.

C. Contractor shall prepare a separate invoice covering

all costs incurred by Contractor in providing such extraordinary care. Such invoice, however, will not be processed or paid unless the above procedures have been followed completely.

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DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

BILLING AND PAYMENT

County shall reimburse Contractor for Services rendered pursuant to this Agreement in accordance with the following procedures:

- A. County shall provide Contractor with general billing guidelines for all Services provided to County-responsible or referred patients. Unless otherwise specifically instructed in writing on the patient's Authorization Form, said billing guidelines shall apply to all Services provided under this Agreement.
- B. For all County-responsible or referred patients, County shall identify and determine the financial status of the patient, if possible, prior to the patient's referral to Contractor for Services (i.e., County will determine if the patient has existing Medi-Cal, Medicare or private medical insurance coverage).
- C. County shall provide Contractor with specific, written billing instructions for each County-responsible or referred patient. Such instructions shall be on the Authorization Form hand carried by each patient referred to Contractor by County.
- D. For Third-Party Insured patients, Contractor shall bill the appropriate Third-Party payer for Services rendered and

accept such Third-Party payer payment as payment in full, such as Medicare or Medi-Cal or Private Insurance.

E. For all County-responsible patients, Contractor shall bill County at the rates not to exceed the rates set forth in Exhibit B-2 and Exhibit C of this Agreement. Such rates shall be inclusive of all technical and professional charges and there shall be no separate billing to County for any professional services hereunder.

1. Professional Component shall mean the review and interpretation of diagnostic images which are obtained through the technical component of diagnostic imaging, involving the use of diagnostic imaging equipment and facilities.

2. Technical Component shall mean the use of diagnostic imaging equipment and facility which is obtained through use of a certified technician.

Contractor further agrees that Contractor, its agents, trustees or assignees will look solely to County for payment for Services provided to County-responsible patients and not to the patient.

Where County has identified a patient or service provided as County-responsible and instructed Contractor to "Bill County", and where Contractor determines that said patient has private insurance,

Contractor shall immediately notify County's Billing Department of the discrepancy and verify billing instructions.

F. All bills rendered by Contractor shall be in the name of Contractor as said name appears on the first page of this Agreement.

G. Billing to County shall be in duplicate and shall include the patient's name, date of service, and a detailed description of the services for which claim is made.

H. Billing to County shall be made and forwarded to the accounting office of County within thirty (30) days of the end of the month in which Services were rendered. County shall pay Contractor within thirty (30) days of receipt of a complete and accurate invoice. For billing received more than thirty (30) days after the end of the month in which Services were rendered, County does not guarantee payment in less than ninety (90) days. Billing received over one (1) year after the provision of Services, where County has not caused the delay, will not be paid.

I. In the event the Medicare or Medi-Cal programs, or both, establish revised reimbursement directives, Director is authorized to revise the billing procedures in this Paragraph to comply with such Medicare or Medi-Cal, or both, directives. In such circumstances, Director shall inform

Contractor in writing of the revised billing procedures and
the effective date thereof.

Bill/Payment.Valley.03/07.KS

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Magnetic Resonance Imaging (MRI)		\$375.00
Computed Tomography (CT)		\$250.00
Nuclear Cardiology Imaging (treadmill, Scan, interpretation and report)		\$700.00
Intravenous Pulmonary – Urogram w/Kub w/Tomos	74415	\$99.32
Isotopes	(A4646)	\$54.61
Barium Enema w/o air contrast	74270	\$51.91
Barium Enema w/ air contrast	74280	\$60.59
Upper Gastro Intestinal (GI) air contrast w/Kub	74247	\$75.29
Upper GI – air contrast w/ small bowel study	74245	\$76.13
Small bowel study – Routine	74250	\$60.59
Esophagram	74220	\$38.09
Cystourethrogram – Routine	74450	\$41.52
Injection for bladder x-ray	51600	\$256.89
Voiding Cystourethrogram – Routine	74455	\$60.59
Injection for bladder x-ray	51600	\$256.89
Fluoroscopy – Sniff Test	76000	\$27.96
Fluoroscopy Fistulogram Sinogram	76080	\$41.79
Injection Sinus Tract for x-ray	20501	\$223.38
Ultrasound, breast, unilateral	76645	\$77.58
Unilateral mammography	76090	\$74.00
Bilateral mammography	76091	\$90.00
Yearly screening (w/cost +10%)	76092	\$65.00
Arterial, upper extremity	93922	\$75.36
Arterial, leg	93923	\$140.11
Venous, leg	93965	\$81.12
Vascular Venous, bilateral	93970	\$230.21
Vascular Venous, unilateral	93971	\$153.50

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Carotid Routine	93980	\$216.06
Vascular Aorta, Iliacs	93978	\$216.06
Testicular, Doppler flow	76870	\$103.72

NUCLEAR MEDICINE EXAMS

Thyroid Uptake and Scan	78007	\$69.22
Nuclear Exams of thyroid	78001	\$34.61
Isotopes	A9516	Cost +10%
Thyroid Therapy (Ablation) 29.9 Mci max.	79030	\$69.22
Isotopes	A9517	Cost +10%
Parathyroid Imaging	78070	\$96.11
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Whole Body	78306	\$141.03
Establish access to vein	36000	\$26.06
Isotopes	Q3009	Cost +10%
Bone Scan, Limited	78300	\$80.91
Establish access to vein	36000	\$26.06
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Spect	78320	\$246.24
Isotopes	Q3009	Cost +10%
Liver Spleen Scan w/Vascular Flow	78216	\$115.98
Isotopes	A9520	Cost +10%
Kidney Scan w/Vascular flow/function Captopril	78700	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/Diuretic	78708	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/o Diuretic	78707	\$192.95
Isotopes	A4641	Cost +10%
Gallbladder Scan – Hida	78223	\$108.14
Isotopes	A9513	Cost +10%

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Gallium Tumor Scan – Limited	78800	\$89.12
Isotopes	Q3002	Cost +10%
Gallium Tumor Scan – Whole Body	78802	\$154.90
Isotopes	Q3002	Cost +10%
Muga Scan	78472	\$167.77
Heart Wall Motion add-on	78478	\$58.87
Heart Function add-on	78480	\$58.87
Isotopes	Q3010	Cost +10%

All other Radiology diagnostic and therapeutic procedures will be billed @ 100% of current Medi-Cal rates.

**CONTRACT FOR
_____ SERVICES
NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Valley Tumor Radiation Medical Group

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXH B-2

ADDITIONAL PROVISIONS

DEPARTMENT OF HEALTH SERVICES

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

AddProv. w/
Revised 03/07

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**ADDITIONAL PROVISIONS
DEPARTMENT OF HEALTH SERVICES
DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT**

1. ADMINISTRATION: County's Director of Health Services or his/her authorized designee(s) (hereafter collectively "Director") shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director the right to review and monitor Contractor's programs, policies, procedures, and financial and/or other records, and to inspect its facilities for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit, to Contracts and Grants Section, a statement executed by Contractor's duly constituted officers, containing the following information:

(1) The form of Contractor's business organization, i.e., sole-proprietorship, partnership, or corporation.

(2) Articles of Incorporation and by-laws.

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another business organization.

(4) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services, supplies,

materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(5) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or the Contractor's ownership of other businesses dealing with Contractor under this Agreement changes, Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Contracts and Grants, within ten (10) calendar days following execution of this Agreement a statement, executed by Contractor's duly constituted officers, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor including private contributions. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify Contracts and Grants in writing detailing such changes.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, in accordance with requirements of federal and State laws, or in any manner on the basis of the client's/ patient's sexual orientation. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-equivalent manner, or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national

origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation.

Facility access for handicapped must comply with the Rehabilitation Act of 1973, Section 504, where federal funds are involved, and the Americans with Disabilities Act.

Contractor shall further establish and maintain written procedures under which any person, applying for or receiving services hereunder, may seek resolution from Contractor of a complaint with respect to any alleged discrimination in the provision of services by Contractor's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with Contractor's resolution of the matter, shall be referred by High Desert Health System's Director (hereafter collectively "Facility Director"), for the purpose of presenting his or her complaint of alleged discrimination. Such procedures shall also indicate that if such person is not satisfied with County's resolution or decision with respect to the complaint of alleged discrimination, he or she may appeal the matter to the State Department of Health Services' Affirmative Action Division. At the time any person applies for services under this Agreement, he or she shall be advised by Contractor of these procedures. A copy of such nondiscrimination in services policy and procedures, as identified hereinabove, shall be posted by Contractor in a

conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided hereunder.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the Americans with Disabilities Act, the Rehabilitation Act of 1973, and all other federal and State laws, as they now exist or may hereafter be amended, that it shall not discriminate against any employee or applicant for employment because of, race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, or sexual orientation. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation in accordance with requirements of federal and State laws. Such action shall include, but shall not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall post in conspicuous places in each of Contractor's facilities

providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract of understanding a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractors, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its

employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any provisions of this Paragraph have been violated, the same shall constitute a material breach of contract upon which Director may suspend or County may determine to terminate this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Paragraph, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California

Civil Code Section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless

County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a re-employment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

8. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence ("GAIN") or General Relief Opportunity for Work ("GROW") Programs who meet

Contractor's minimum qualifications for the open position. The County will refer GAIN/GROW participants by job category to the Contractor.

9. RECORDS AND AUDITS:

A. Client/Patient Records: If clients/patients are treated hereunder, Contractor shall maintain adequate treatment records in accordance with all applicable federal and State laws as they are now enacted or may hereafter be amended on each client/patient which shall include, but shall not be limited to, diagnostic studies, a record of client/patient interviews, progress notes, and a record of services provided by the various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services. Client/patient records shall be retained for a minimum of seven (7) years following the expiration or earlier termination of this Agreement, except that the records of un-emancipated minors shall be kept at least one (1) year after such minor has reached the age of eighteen (18) years and in any case not less than seven (7) years, or until federal, State, and/or County audit findings applicable to such services are resolved, whichever is later. Client/patient records shall be retained by Contractor at a location in Southern California and shall be made available at reasonable times to authorized

representatives of federal, State, and/or County governments during the term of this Agreement and during the period of record retention for the purpose of program review, financial evaluation, and/or fiscal audit. In addition to the requirements set forth under this Paragraph, Contractor shall comply with any additional record requirements which may be included in the exhibits(s) attached hereto and nothing in the Agreement shall be deemed to limit the obligations set forth in this Paragraph.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with written guidelines, standards, and procedures which may from time to time be promulgated by Director. Such records shall clearly reflect the actual cost of the type of service for which payment is claimed and shall include, but not be limited to:

(1) Books of original entry which identify all designated donations, grants, and other revenues, including County, federal, and State revenues and all costs by type of service.

(2) A General Ledger.

(3) A written cost allocation plan which shall include reports, studies, statistical surveys,

and all other information Contractor used to identify and allocate indirect costs among Contractor's various services. Indirect costs shall mean those costs incurred for a common or joint objective which cannot be identified specifically with a particular project or program

(4) If clients/patients are treated hereunder, financial folders clearly documenting:

(a) Contractor's determination of clients'/patients' eligibility for Medi-Cal, medical insurance, and other coverage.

(b) Reasonable efforts to collect charges from the client/patient, his/her family, his/her insurance company, and responsible persons.

(5) If clients/patients are treated hereunder, individual client/patient account receivable ledgers indicating the type and amount of charges incurred and payments by source and service type shall be maintained.

(6) Personnel records which show the percentage of time worked providing services claimed under this Agreement. Such records shall be corroborated by payroll timekeeping records, signed by

the employee and approved by the employee's supervisor, which show time distribution by programs and the accounting for total worktime on a daily basis. This requirement applies to all program personnel, including the person functioning as the executive director of the program, if such executive director provides services claimed under this Agreement.

(7) Personnel records which account for the total worktime of personnel identified as indirect costs in the approved contract budget. Such records shall be corroborated by payroll timekeeping records signed by the employee and approved by the employee's supervisor. This requirement applies to all such personnel, including the executive director of the program, if such executive director provides services claimed under this Agreement.

The entries in all of the aforementioned accounting and statistical records must be readily traceable to applicable source documentation (e.g., employee timecards, remittance advice, vendor invoices, appointment logs, client/patient ledgers). The client/patient eligibility determination and fees charged to, and collected from clients/patients must also be reflected therein. All financial records shall

be retained by Contractor at a location in Southern California during the term of this Agreement and for a minimum period of five (5) years following expiration or earlier termination of this Agreement, or until federal, State and/or County audit findings are resolved, whichever is later. During such retention period, all such records shall be made available during normal business hours to authorized representatives of federal, State, or County governments for purposes of inspection and audit. In the event records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other costs incurred by County for any inspection and audit at such other location.

C. Preservation of Records: If following termination of this Agreement Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove.

D. Audit Reports: In the event that an audit of any or all aspects of this Agreement is conducted of Contractor by any federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, Contractor

shall file a copy of each such audit report(s) with the County's Department of Health Services ("DHS") Contracts and Grants Section, and County's Auditor Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided for under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s).

E. Independent Audit: Contractor's financial records shall be audited by an independent auditor for every year that this Agreement is in effect.

The audit shall satisfy the requirement of the Federal Office of Management and Budget (OMB) Circular Number A-133. The audit shall be made by an independent auditor in accordance with Governmental Financial Auditing Standards developed by the Comptroller General of the United States, and any other applicable federal, State, or County statutes, policies, or guidelines. Contractor shall complete and file such audit report(s) with the County's DHS - no later than the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period.

If the audit report(s) is not delivered by Contractor to County within the specified time, Director may

withhold all payments to Contractor under all service agreements between County and Contractor until such report(s) is delivered to County.

The independent auditor's workpapers shall be retained for a minimum of three (3) years from the date of the report, unless the auditor is notified in writing by County to extend the retention period. Audit workpapers shall be made available for review by federal, State, or County representatives upon request.

F. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") Section 1395x(v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any

subcontract with a value or cost of Ten Thousand Dollars (\$10,000), or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

G. Program/Fiscal Review: In the event County representatives conduct a program review or financial evaluation of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial records, medical records, program records, and any other records pertaining to services provided under this Agreement. Additionally, Contractor shall make its personnel, facilities, and medical protocols available for inspection at reasonable times by authorized representatives of County. Contractor shall be provided with a copy of any written program review or financial evaluation reports. Contractor shall have the opportunity to review County's program review and financial evaluation reports, and shall have thirty (30) calendar days after receipt of County's findings to review the results and to provide documentation to

County to resolve exceptions. If, at the end of the thirty (30) day period, there remain exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results thereafter shall be applied to the total County payments made to Contractor for all claims paid during the program review or financial evaluation period under review to determine Contractor's liability to County.

H. Failure to Comply: Failure of Contractor to comply with the terms of this Paragraph shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

10. REPORTS:

A. Contractor shall submit to County the following reports showing timely payment of employees' federal and State income tax withholding:

(1) Within ten (10) calendar days of filing with the federal or State government, a copy of the federal and State quarterly income tax withholding return, Federal Form 941, and State Form DE-3 or their equivalent.

(2) Within ten (10) calendar days of each payment, a copy of a receipt for or other proof of payment of federal and State employees' income tax withholding whether such payments are made on a monthly or quarterly basis.

Required submission of the above quarterly and monthly reports by Contractor may be waived by Director based on Contractor's performance reflecting prompt and appropriate payment of obligations. Requirements of this Subparagraph A shall not apply to governmental agencies.

B. Contractor shall make other reports as required by Director concerning Contractor's activities as they affect the contract duties and purposes contained herein. In no event, however, may County require such reports unless it has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. County shall provide Contractor with a written explanation of the procedures for reporting the required information.

11. ANNUAL COST REPORT:

A. For each year, or portion thereof, that this Agreement is in effect, Contractor shall provide to County's DHS - one (1) original and one (1) copy of an annual cost report within thirty (30) calendar days following the close

of the contract period. Such cost report shall be prepared in accordance with generally accepted accounting principles, cost report forms, and instructions provided by County.

B. If this Agreement is terminated prior to the close of the contract period, the annual cost report shall be for that Agreement period which ends on the termination date. One (1) original and one (1) copy of such report shall be submitted within thirty (30) calendar days after such termination date to County's DHS. .

C. The primary objective of the annual cost report shall be to provide County with actual revenue and expenditure data for the contract period that shall serve as the basis for determining final amounts due to/from Contractor.

D. If the Annual Cost Report is not delivered by Contractor to County within the specified time, Director may withhold all payments to Contractor under all service agreements between County and Contractor until such report is delivered to County.

12. PUBLIC ANNOUNCEMENTS AND LITERATURE: Contractor agrees that all materials, public announcements, literature, audiovisuals, and printed materials utilized in association with this Agreement, shall have prior written approval from the Director or his/her designee prior to its publication, printing,

duplication, and implementation with this Agreement. All such materials, public announcements, literature, audiovisuals, and printed material shall include an acknowledgment that funding for such public announcements, literature, audiovisuals, and printed materials was made possible by the County of Los Angeles, Department of Health Services, and other applicable funding sources.

Contractor further agrees that all public announcements, literature, audiovisuals, and printed material developed or acquired by Contractor or otherwise, in whole or in part, under this Agreement, and all works based thereon, incorporated therein, or derived therefrom, shall be the sole property of County.

Contractor hereby assigns and transfers to County in perpetuity for all purposes all Contractor's rights, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

With respect to any such items which come into existence after the commencement date of the Agreement, Contractor shall assign and transfer to County in perpetuity for all purposes, without any additional consideration, all Contractor's rights, title, and interest in and to all such items, including, but not

limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

For the purposes of this Agreement, all such items shall include, but not be limited to, written materials (e.g., curricula, text for vignettes, text for public service announcements for any and all media types, pamphlets, brochures, fliers), audiovisual materials (e.g., films, videotapes), and pictorials (e.g., posters and similar promotional and educational materials using photographs, slides, drawings, or paintings).

13. CONFIDENTIALITY: Contractor agrees to maintain the confidentiality of its records and information including, but not limited to, billings, County records, and client/patient records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of said confidentiality provision of this Agreement. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising out of any disclosure of such records and information by Contractor, its officers, employees, agents, and subcontractors.

14. RESTRICTIONS ON LOBBYING:

A. Federal Certification and Disclosure Requirement:

Because federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (Title 31, U.S.C., Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

B. County Lobbyists: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

15. UNLAWFUL SOLICITATION: Contractor shall require all of its employees performing services hereunder to acknowledge in writing understanding of and agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing

with Section 6150) of the Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral services of all those bar associations within Los Angeles County that have such a service.

16. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegate or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegate or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction of claims

which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County's Board of Supervisors in accordance with applicable provisions of this Agreement.

Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities,

obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

17. SUBCONTRACTING:

A. For purposes of this Agreement, subcontracts shall be approved by County's Director or his/her authorized designee(s). Contractor's request to Director for approval of a subcontract shall include:

(1) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including a description of Contractor's efforts to obtain competitive bids.

(2) A description of the services to be provided under the subcontract.

(3) The proposed subcontract amount, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which

must be approved in writing by Director before such amendment is effective.

B. Subcontracts issued pursuant to this Paragraph shall be in writing and shall contain at least the intent of all of the Paragraphs of the body of this Agreement, including the ADDITIONAL PROVISIONS, and the requirements of the exhibits(s) and schedule(s) attached hereto.

C. At least thirty (30) calendar days prior to the subcontract's proposed effective date, Contractor shall submit for review and approval to Director, a copy of the proposed subcontract instrument. With the Director's written approval of the subcontract instrument, the subcontract may proceed.

D. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors.

18. BOARD OF DIRECTORS: Contractor's Board of Directors shall serve as the governing body of the agency. Contractor's Board of Directors shall be comprised of individuals as described

in its by-laws; meet not less than required by the by-laws; and record statements of proceedings which shall include listings of attendees, absentees, topics discussed, resolutions, and motions proposed with actions taken, which shall be available for review by federal, State, or County representatives. The Board of Directors shall have a quorum present at each Board meeting where formal business is conducted. A quorum is defined as one person more than half of the total Board membership.

Contractor's Board of Directors shall oversee all agency contract-related activities. Specific areas of responsibility shall include executive management, personnel management, fiscal management, fund raising, public education and advocacy, Board recruitment and Board member development, i.e., training and orientation of new Board members and ongoing in-service education for existing members.

19. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by federal, State, and local law for the operation of its business and for the provision of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations,

accreditations, and certificates required by federal, State, and local law which are applicable to their performance hereunder. Contractor shall provide a copy of each license, permit, registration, accreditation, and certificate upon request of County's DHS - at any time during the term of this Agreement

20. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all federal, State, and local laws, ordinances, regulations, rules, and directives, applicable to its performance hereunder, as they are now enacted or may hereafter be amended.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, ordinances, regulations, rules, or directives.

21. KNOX-KEENE HEALTH CARE SERVICES REQUIREMENTS:

Contractor shall maintain all applicable books and records regarding services rendered to members of the County of Los Angeles Community Health Plan ("CHP") for a period of five (5) years from the expiration or earlier termination of this Agreement.

During such period, as well as during the term of this Agreement, Director or, the State Department of Managed Health

Care or both, reserve the right to inspect at reasonable times upon demand, Contractor's books and records relating to: (1) the provision of health care services to CHP members; (2) the costs thereof; (3) co-payments received by Contractor from CHP members, if any; and (4) the financial condition of Contractor.

Contractor shall maintain such books and records and provide such information to the Director, and to the State Department of Managed Health Care as may be necessary for compliance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code Sections 1340, et seq.) and all rules and regulations adopted pursuant thereto.

Upon expiration or earlier termination of this Agreement, County shall be liable for payment of covered services rendered by Contractor to a CHP member, who retains eligibility either under the applicable CHP agreement or by operation of law, and who remains under the care of Contractor at the time of such expiration or earlier termination until the services being rendered to the CHP member by Contractor are completed or County makes reasonable and medically appropriate provisions for the assumption of such services.

22. CONFLICT OF INTEREST:

A. No County employee whose position in County enables him/her to influence the award or administration of this Agreement or any competing agreement, and no spouse or

economic dependent of such employee, shall be employed in any capacity by Contractor, or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances.

23. PURCHASES:

A. Purchase Practices: Contractor shall fully comply with all federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in acquiring all furniture, fixtures, equipment, materials, and

supplies. Such items shall be acquired at the lowest possible price or cost if funding is provided for such purposes hereunder.

B. Proprietary Interest of County: In accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, County shall retain all proprietary interest, except their use during the term of this Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or obtained by Contractor using any contract funds designated for such purpose. Upon the expiration or earlier termination of this Agreement, the discontinuance of the business of Contractor, the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any judgement against it within thirty (30) calendar days of filing, County shall have the right to take immediate possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with Contractor, shall attach identifying labels on all such property indicating the proprietary interest of County.

C. Inventory Records, Controls, and Reports:

Contractor shall maintain accurate and complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose. Within ninety (90) calendar days following the effective date of this Agreement, Contractor shall provide Director with an accurate and complete inventory report of all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose

D. Protection of Property in Contractor's Custody:

Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose, against any damage or loss by fire, burglary, theft, disappearance, vandalism, or misuse. Contractor shall contact , Contracts and Grants Section, for instructions for disposition of any such property which is worn out or unusable.

E. Disposition of Property in Contractor's Custody:

Upon the termination of the funding of any program covered by this Agreement, or upon the expiration or earlier termination of this Agreement, or at any other time that County may request, Contractor shall: (1) provide access to

and render all necessary assistance for physical removal by Director or his authorized representatives of any or all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose, in the same condition as such property was received by Contractor, reasonable wear and tear expected; or (2) at Director's option, deliver any or all items of such property to a location designated by Director. Any disposition, settlement, or adjustment connected with such property shall be in accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives.

24. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the locations where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facilities shall include a review of compliance with the provisions of this Paragraph.

25. RETURN OF COUNTY MATERIALS: At expiration or earlier termination of this Agreement, Contractor shall provide an accounting of any unused or unexpended supplies purchased by Contractor with funds obtained pursuant to this Agreement and shall deliver such supplies to County upon County's request.

26. STAFFING: Contractor shall operate continuously throughout the term of this Agreement with at least the minimum number of staff required by County. Such personnel shall be qualified in accordance with standards established by County. In addition, Contractor shall comply with any additional staffing requirements which may be included in the exhibit(s) attached hereto.

During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of persons by name, title, professional degree, salary, and experience who are providing services hereunder. Contractor also shall indicate on such list which persons are appropriately qualified to perform services hereunder. If an executive director, program director, or supervisorial position becomes vacant during the term of this Agreement, Contractor shall, prior to filling said vacancy, notify County's Director. Contractor shall provide the above set forth required information to County's Director regarding any candidate prior to any appointment. Contractor shall institute

and maintain appropriate supervision of all persons providing services pursuant to this Agreement.

27. TRAINING/STAFF DEVELOPMENT: Contractor shall institute and maintain a training/staff development program pertaining to those services described in the exhibit(s) attached hereto. Appropriate training/staff development shall be provided for treatment, administrative, and support personnel. Participation of treatment and support personnel in training/staff development should include in-service activities. Such activities shall be planned and scheduled in advance; and shall be conducted on a continuing basis. Contractor shall develop and institute a plan for an annual evaluation of such training/staff development program.

28. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, or other

compensation or benefits to any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole liability and responsibility for any and all workers' compensation benefits to any person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

D. Acknowledgment that each of Contractor's employees understands that such person is an employee of Contractor and not an employee of County shall be signed by each employee of Contractor performing services under this Agreement. A copy of such written notice shall be retained by the Contractor for the purposes of inspection and audit and made available to County upon request. The form and content of such acknowledgment shall be substantially similar to the form entitled "EMPLOYEE'S ACKNOWLEDGMENT OF EMPLOYER", attached hereto and incorporated herein by reference.

29. TERMINATION FOR INSOLVENCY:

A. County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Code or not;

(2) The filing of a voluntary or involuntary petition under the Federal Bankruptcy Code;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

B. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

30. TERMINATION FOR DEFAULT:

A. County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

(1) If, as determined in the sole judgement of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

(2) If, as determined in the sole judgement of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

B. In the event that County terminates this Agreement as provided in Subparagraph A, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs

incurred by County, as determined by County, for such similar services

C. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

31. TERMINATION FOR CONVENIENCE: This Agreement may be terminated, with or without cause, by Contractor upon giving of at least thirty (30) calendar days' advance written notice to County. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder.

Director may also suspend the performance of services hereunder, in whole or in part, effective upon Contractor's receipt of County's written notice. County's notice shall set forth the reasons for the suspension, the extent of the suspension, and the requirements for full restoration of the performance obligations.

The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance

of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, agents, or employees to comply with the terms of this Agreement or any written directives by or on behalf of County issued pursuant hereto shall constitute a material breach hereto and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

In the event of termination or suspension of this Agreement, Contractor shall:

1. If clients/patients are treated hereunder, make immediate and appropriate plans to transfer or refer all clients/patients treated under this Agreement to other agencies for continuing care in accordance with the client's/patient's needs. Such plans shall be approved by Director, except in such instance, as determined by Contractor, where an immediate client/patient transfer or

referral is indicated. In such instances, Contractor may make an immediate transfer or referral.

2. Immediately eliminate all new costs and expenses under this Agreement. New costs and expenses include, but are not limited to, those associated with new client/patient admissions. In addition, Contractor shall immediately minimize all other costs and expenses under this Agreement. Contractor shall be reimbursed only for reasonable and necessary costs or expenses incurred after receipt of notice of termination.

3. Promptly report to County in writing all information necessary for the reimbursement of any outstanding claims and continuing costs.

4. Notwithstanding the provisions of any other Paragraph of this Agreement or Additional Provision, provide to County's within thirty (30) calendar days after such termination date, an annual cost report as set forth in the ANNUAL COST REPORT Paragraph, hereunder.

a. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

After receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its

termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor, for a period of five (5) years after final settlement under this Agreement, shall make available to County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) working days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit.

32. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

33. PROHIBITION AGAINST PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or physician performs services while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within two (2) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

36. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

37. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other

breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

38. SEVERABILITY: If any provisions of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

39. GOVERNING LAWS: This Agreement shall be construed in accordance with and governed by the laws of the State of California.

40. JURISDICTION AND VENUE: Contractor hereby agrees to submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action (other than an appeal or an enforcement of a judgement) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

41. RESOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier

termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and its DHS shall make the determination to re-solicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

42. NON-EXCLUSIVITY: Contractor acknowledges that it is not the exclusive provider to County of the services to be provided under this Agreement, that County has, or intends to enter into, contracts with other providers of such services, and that County reserves the right to itself perform the services with its own County personnel. During the term of this Agreement, Contractor agrees to provide County with the services described in the Agreement.

43. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities

they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster, or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which Director may suspend or County may immediately terminate this Agreement.

44. COUNTY'S QUALITY ASSURANCE PLAN: County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

45. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who

benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act {(42 USC Section 653a)} and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

46. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 47 "CONTRACTOR'S CHILD WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM", shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to

County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

47. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

48. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notices shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

49. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which

generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a non profit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is

presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds

that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of

debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to any subcontractors of County Contractors.

50. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it, nor any of its owners, officers, partners, directors or principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner director, or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it

or any of its subcontractors or any principals of either being suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

51. RULES AND REGULATIONS: During the time that Contractor's personnel are at County Facilities such persons shall be subject to the rules and regulations of such County Facility. It is the responsibility of Contractor to acquaint persons who are to provide services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its personnel from the provision of services hereunder upon receipt of oral or written notice from Director, that (1) such person has violated said rules or regulations, or (2) such person's actions, while on County premises, indicate that such person may do harm to County patients.

52. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or

selling agencies maintained by Contractor for the porpoise of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

53. PURCHASING RECYCLED-CONTENT BOND PAPER: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

54. COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM: This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a

written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the

provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. Attached hereto, is the required form, "County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception", to be completed by the Contractor.

D. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

55. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

56. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is

set forth herein and is also available on the Internet at www.babysafela.org for printing purposes.

57. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

58. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit F, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions

without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202).

59. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996:

The performance of Contractor's obligations under the Agreement could require Contractor's receipt of, or access to, Protected Health Information, as such term is defined in Attachment A (Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996).

Contractor and County hereby agree to be bound by the terms and conditions of the Business Associate Protected Health Information Disclosure Agreement (Attachment A) (hereafter "Business Associate Agreement") by and between Contractor (referred to in Attachment A as "Business Associate") and County (referred to in Attachment A as "Covered Entity") for the term of this Agreement and as provided in the Business Associate Agreement.

60. BUDGET REDUCTIONS: In the event that County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and

any subsequent fiscal year for services provided by Contractor under this Agreement. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement.

61. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

ADD.PROV.DIAG.03/07.KS

**CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE
UNDER THE HEALTH INSURANCE PORTABILITY AND
ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.
- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities:
However, Business Associate is not required to provide an accounting of Disclosures that are

necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

- (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to a another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 3

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
 "County")

and LANCASTER CARDIOLOGY MEDICAL GROUP,
 (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT" dated March 30,
1999, and further identified as County Agreement Number
H-210778, and any Amendments thereto (all hereafter referred to
as "Agreement");

WHEREAS, the Medical Center shall retain professional and
administrative responsibility for the services provided under
this Agreement; and

WHEREAS, it is the intent of the parties hereto to extend
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written Amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective April 1, 2007.

2. Paragraph 1, TERM AND TERMINATION of the body of this Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence April 1, 2007, and shall continue in full force and effect to and including March 31, 2009, unless terminated sooner pursuant to the terms of this Agreement. The term of this Agreement may be extended by Director beyond the stated expiration date on a month-to-month basis, for a period of time not to exceed three months, upon mutual agreement of the parties. All provisions of the Agreement in effect on the date the term commences shall remain in effect for the duration of the extension period. If County and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of March 31, 2009, then the Agreement shall expire on such date.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry

out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the County."

3. Paragraph 3, DESCRIPTION OF SERVICES, of the body of the Agreement shall be amended to read as follows:

"3. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange for the provision of the specialty medical services

described in Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached hereto and incorporated herein by reference."

4. Paragraph 4, BILLING AND PAYMENT, of the body of the Agreement shall be amended to read as follows:

"4. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions, and rates set forth in Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached hereto and incorporated herein by reference.

A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the Tasks, Subtasks, Deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Four Hundred Twenty Thousand Dollars (\$420,000), for the two-year term of this Agreement. If additional funding

is awarded for this Agreement for an additional three (3) months, the total maximum Contract Sum shall not exceed Fifty Two Thousand, Five Hundred Dollars (\$52,500) for the three month period."

5. Paragraph 6, INDEMNIFICATION and Paragraph 7, INSURANCE, of the body of the Agreement shall be deleted entirely and replaced with the following:

"6. INDEMNIFICATION, INSURANCE AND COVERAGE:

A. Indemnification: Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

B. General Insurance Requirements: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its sub-contractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other

insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

C. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor East, Los Angeles, California 90012, Attention: K. Ellis - Contract Administrator, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverage's required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) Days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

D. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.

E. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such

required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

F. Notification of Incidents, Claims or Suits:

Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to the County's Project Manager.

(4) Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property, monies or securities entrusted to

Contractor under the terms of this Agreement.

G. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

H. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure that any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of sub-contractors, or

(2) Contractor providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

I. Insurance Coverage Requirements:

A. General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate: \$2 million

Products/Completed Operations
Aggregate: \$1 million

Personal and Advertising
Injury: \$1 million

Each Occurrence: \$1 million

J. Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

K. Workers Compensation and Employers' Liability: Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U. S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident: \$1 million

Disease - policy limit: \$1 million

Disease - each employee: \$1 million

L. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement."

6. The ADDITIONAL CONTRACT PROVISIONS, shall be deleted in its entirety and replaced with the ADDITIONAL PROVISIONS, attached hereto, and incorporated herein by reference.

7. Exhibit A-1, DESCRIPTION OF SERVICES, shall be amended in its entirety and replaced by Exhibit A-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, DESCRIPTION OF SERVICES, attached to this Amendment and incorporated into this Agreement by reference.

8. Exhibit B-1, BILLING AND PAYMENT, shall be amended in its entirety and replaced by Exhibit B-2, DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT, BILLING AND PAYMENT, attached to this Amendment and incorporated into this Agreement by reference.

9. Exhibit C, PROCEDURE CODES AND REIMBURSEMENT RATES, is attached to this Amendment and incorporated into this Agreement by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

LANCASTER CARDIOLOGY MEDICAL GROUP
Contractor

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

By _____
Signature

Deputy County Counsel

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT
ADMINISTRATION:

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMEND3.Lancaster.KS:03/5/07

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

DESCRIPTION OF SERVICES

1. SCOPE OF WORK: Contractor shall provide magnetic resonance imaging (MRI), fluoroscopy and other diagnostic and therapeutic services (hereafter "Services") for High Desert Health System (HDHS) (hereafter "County") under this agreement pursuant to the following circumstances: (1) Contractor shall perform all MRI procedures for HDHS patients and other diagnostic and therapeutic procedures, such as, ultrasounds, computed tomography (CT), vascular studies and (2) Contractor shall perform fluoroscopies on a backup basis when the HDHS fluoroscope is inoperable due to maintenance or repairs and, (3) Contractor will perform all nuclear medicine procedures, including nuclear cardiology procedures as the primary contractor of diagnostic and therapeutic procedures for HDHS patients.

2. DEFINED TERMS:

A. County-referred patient shall mean inpatients and outpatients referred by County Facility to Contractor for Services.

B. County-responsible patient shall mean County-referred 1) outpatients who are Medicare covered, or 2) outpatients who are not covered by Medi-Cal, private medical insurance or other third-party coverage and deemed to be County-

responsible under the California Welfare and Institutions Code sections 17000 et seq. by the Director of Health Services or his authorized designee.

C. Third-Party Insured Patient shall mean patients with private medical insurance carriers or other third party coverage, such as HMOs, PPOs, etc.

3. SERVICES TO BE PROVIDED:

A. Contractor shall provide during the term of this Agreement the Services listed in Exhibit C for County-responsible and County-referred patients, unless the delivery of such Services is made impossible due to strikes, force majeure, or other similar causes beyond the control of Contractor.

It is understood and agreed that the Services provided pursuant to this Agreement shall be performed under the supervision of physicians duly licensed to practice medicine in the State of California, and the agreement by Contractor to see that such Services are furnished is not to be construed as Contractor entering into the practice of medicine.

B. All Services must be authorized in advance by County. Proof of such authorization shall be evidenced by a form (hereafter "Authorization Form") issued to the patient by County. Said Authorization Form need not be the original,

but may instead be a photocopy or facsimile and need not be carried by the patient, if it has been transmitted to the Contractor's facility prior to the patient's arrival for diagnosis, or treatment, or both. Invoices without written proof of authorization will not be processed or paid.

C. County shall make special arrangements with Contractor to provide Services for patients who require isolation procedures.

D. Written reports of test results must be on test forms which conform to County's policy and which can be entered directly into County's patient medical records. Each report must contain all data and information as specified by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and by the State Department of Health Services.

E. Contractor shall provide County with the original and any copies all images or films.

F. Contractor shall provide County with a preliminary report within twenty-four (24) hours after provision of Services. A verbal preliminary report shall be provided within twenty-four (24) hours if results are abnormal or upon request of County.

G. Contractor shall hand-deliver all images or films and final written reports to County during County's normal

business hours (8:00 a.m. to 4:30 p.m.), Monday through Friday, at the following address:

High Desert Health System
44900 North 60th Street West
Lancaster, California 93536

Final reports for outpatients must be received by County within five (5) working days after the provision of Services. County shall have no obligation to pay for any late reports.

Reports for "Stat" Services shall be telephoned to County at the following numbers:

(1) Radiology Department at (661) 945-8223 for all X-ray, Ultrasound and Nuclear Medicine Services.

(2) Medical Administration at (661) 945-8303 for all other Services, or as otherwise directed by Hospital Administrator.

4. STANDARD OF CARE:

A. Contractor shall provide for supervision and monitoring of the medical care provided County-responsible or referred patients pursuant to this Agreement, in accordance with recognized standards through regular review of patient medical records by Contractor's appropriately designated medical staff committee(s).

B. Contractor's facility and services shall be in conformance with the standards of JCAHO and with all applicable federal and state statutes, regulations and

related requirements, as amended from time to time, which are applicable to Contractor's provision of Services under this Agreement.

C. County has established a Quality Assessment and Improvement Committee (QA and QI) composed of County employees appointed by Director to review the Services contemplated by this Agreement and to assure a Standard of Care by Contractor and others which is consistent with the laws of the state and federal governments, with County's QA and QI standards, and with the prevailing standards of medical practice in the community. Contractor agrees to adhere to the standards thereby established for its Services and to permit by County's QA and QI Committee representatives of Contractor's patient medical records for County-responsible and referred patients. Such review shall not extend to records medical staff committee.

D. Contractor shall establish and maintain a written QA and QI Program that describes the program's objectives, organization and mechanisms for overseeing the effectiveness of monitoring, evaluation and problem-solving activities. Contractor shall provide a copy of such plan to County within thirty (30) days of the effective date of this Agreement. Such a plan shall be reviewed by County's QA and QI Committee to ensure compliance with the applicable JCAHO standards.

Contractor shall maintain records of peer review plans, audit results, problems identified and corrective actions for a period of seven (7) years from the date such records were prepared, and shall have them available upon request for review County's QA and QI Committee.

5. INFECTION CONTROL: If Contractor's employee(s) is (are) diagnosed with having an infectious disease and such employee(s) has (have) had contact with a County-responsible or referred patient during the usual incubation period for such infectious disease, Contractor shall report such occurrence(s) to Hospital's Employee Health/Infection Control Department at (661) 945-8260.

If a County-responsible or referred patient is diagnosed with having an infectious disease, and such County-responsible or referred patient has had contact with Contractor's employee(s) during the usual incubation period for such infectious disease, County shall report such occurrence(s) to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

6. PHYSICAL EXAMINATION: Contractor shall ensure that each person who performs patient care services under this Agreement is examined by a California licensed physician on an annual or biannual basis, as required by JCAHO and section 70723, Title 22, California Code of Regulations, and shall provide County, upon

request, with written certification that each such person is free of infectious disease(s).

7. EMERGENCY MEDICAL TREATMENT: For County-responsible or referred patients, emergency medical care may be required for physical illness or accident while at Contractor's facility, and where such care is not available at Contractor's facility, Contractor may authorize such emergency care. In such instances, Contractor must notify County of the emergency and the actions taken in accordance with the following procedures:

A. As soon as possible, or within two hours, of the onset of illness or accident, Contractor shall call County at (661) 945-8473 and submit the following information to the Medical Director's Office:

- (1) Name of Contractor;
- (2) Name of patient and medical record;
- (3) Hospital to which patient has been transported if applicable;
- (4) Name of physician attending patient, if possible;
- (5) Complete diagnosis of patient, if available;
- (6) Approximate length of time until patient can be safely transported back to County.

B. Contractor shall submit a written report County's Risk Manager within five (5) working days of the incident.

C. Contractor shall prepare a separate invoice covering

all costs incurred by Contractor in providing such extraordinary care. Such invoice, however, will not be processed or paid unless the above procedures have been followed completely.

SOW.Diag&Ther.Lancaster.03/07.KS

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

BILLING AND PAYMENT

County shall reimburse Contractor for Services rendered pursuant to this Agreement in accordance with the following procedures:

- A. County shall provide Contractor with general billing guidelines for all Services provided to County-responsible or referred patients. Unless otherwise specifically instructed in writing on the patient's Authorization Form, said billing guidelines shall apply to all Services provided under this Agreement.
- B. For all County-responsible or referred patients, County shall identify and determine the financial status of the patient, if possible, prior to the patient's referral to Contractor for Services (i.e., County will determine if the patient has existing Medi-Cal, Medicare or private medical insurance coverage).
- C. County shall provide Contractor with specific, written billing instructions for each County-responsible or referred patient. Such instructions shall be on the Authorization Form hand carried by each patient referred to Contractor by County.
- D. For Third-Party Insured patients, Contractor shall bill the appropriate Third-Party payer for Services rendered and

accept such Third-Party payer payment as payment in full, such as Medicare or Medi-Cal or Private Insurance.

E. For all County-responsible patients, Contractor shall bill County at the rates not to exceed the rates set forth in Exhibit B-2 and Exhibit C of this Agreement. Such rates shall be inclusive of all technical and professional charges and there shall be no separate billing to County for any professional services hereunder.

1. Professional Component shall mean the review and interpretation of diagnostic images which are obtained through the technical component of diagnostic imaging, involving the use of diagnostic imaging equipment and facilities.

2. Technical Component shall mean the use of diagnostic imaging equipment and facility which is obtained through use of a certified technician.

Contractor further agrees that Contractor, its agents, trustees or assignees will look solely to County for payment for Services provided to County-responsible patients and not to the patient.

Where County has identified a patient or service provided as County-responsible and instructed Contractor to "Bill County", and where Contractor determines that said patient has private insurance,

Contractor shall immediately notify County's Billing Department of the discrepancy and verify billing instructions.

F. All bills rendered by Contractor shall be in the name of Contractor as said name appears on the first page of this Agreement.

G. Billing to County shall be in duplicate and shall include the patient's name, date of service, and a detailed description of the services for which claim is made.

H. Billing to County shall be made and forwarded to the accounting office of County within thirty (30) days of the end of the month in which Services were rendered. County shall pay Contractor within thirty (30) days of receipt of a complete and accurate invoice. For billing received more than thirty (30) days after the end of the month in which Services were rendered, County does not guarantee payment in less than ninety (90) days. Billing received over one (1) year after the provision of Services, where County has not caused the delay, will not be paid.

I. In the event the Medicare or Medi-Cal programs, or both, establish revised reimbursement directives, Director is authorized to revise the billing procedures in this Paragraph to comply with such Medicare or Medi-Cal, or both, directives. In such circumstances, Director shall inform

Contractor in writing of the revised billing procedures and the effective date thereof.

Bill/Payment.Lancaster.03/07.KS

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Magnetic Resonance Imaging (MRI)		\$375.00
Computed Tomography (CT)		\$250.00
Nuclear Cardiology Imaging (treadmill, Scan, interpretation and report)		\$700.00
Intravenous Pulmonary – Urogram w/Kub w/Tomos	74415	\$99.32
Isotopes	(A4646)	\$54.61
Barium Enema w/o air contrast	74270	\$51.91
Barium Enema w/ air contrast	74280	\$60.59
Upper Gastro Intestinal (GI) air contrast w/Kub	74247	\$75.29
Upper GI – air contrast w/ small bowel study	74245	\$76.13
Small bowel study – Routine	74250	\$60.59
Esophagram	74220	\$38.09
Cystourethrogram – Routine	74450	\$41.52
Injection for bladder x-ray	51600	\$256.89
Voiding Cystourethrogram – Routine	74455	\$60.59
Injection for bladder x-ray	51600	\$256.89
Fluoroscopy – Sniff Test	76000	\$27.96
Fluoroscopy Fistulogram Sinogram	76080	\$41.79
Injection Sinus Tract for x-ray	20501	\$223.38
Ultrasound, breast, unilateral	76645	\$77.58
Unilateral mammography	76090	\$74.00
Bilateral mammography	76091	\$90.00
Yearly screening (w/cost +10%)	76092	\$65.00
Arterial, upper extremity	93922	\$75.36
Arterial, leg	93923	\$140.11
Venous, leg	93965	\$81.12
Vascular Venous, bilateral	93970	\$230.21
Vascular Venous, unilateral	93971	\$153.50

Exhibit C

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Carotid Routine	93980	\$216.06
Vascular Aorta, Iliacs	93978	\$216.06
Testicular, Doppler flow	76870	\$103.72

NUCLEAR MEDICINE EXAMS

Thyroid Uptake and Scan	78007	\$69.22
Nuclear Exams of thyroid	78001	\$34.61
Isotopes	A9516	Cost +10%
Thyroid Therapy (Ablation) 29.9 Mci max.	79030	\$69.22
Isotopes	A9517	Cost +10%
Parathyroid Imaging	78070	\$96.11
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Whole Body	78306	\$141.03
Establish access to vein	36000	\$26.06
Isotopes	Q3009	Cost +10%
Bone Scan, Limited	78300	\$80.91
Establish access to vein	36000	\$26.06
Prov. Of Diagnostic Radiopharmaceuticals	78990	\$55.07
Bone Scan, Spect	78320	\$246.24
Isotopes	Q3009	Cost +10%
Liver Spleen Scan w/Vascular Flow	78216	\$115.98
Isotopes	A9520	Cost +10%
Kidney Scan w/Vascular flow/function Captopril	78700	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/Diuretic	78708	\$176.94
Isotopes	A4641	Cost +10%
Kidney Scan w/Vascular/function w/o Diuretic	78707	\$192.95
Isotopes	A4641	Cost +10%
Gallbladder Scan – Hida	78223	\$108.14
Isotopes	A9513	Cost +10%

DESCRIPTION OF SERVICES
PROCEDURE CODES AND REIMBURSEMENT RATES

<u>Description of Service</u>	<u>CPT Code</u>	<u>Procedure Rate/Fee</u>
Gallium Tumor Scan – Limited	78800	\$89.12
Isotopes	Q3002	Cost +10%
Gallium Tumor Scan – Whole Body	78802	\$154.90
Isotopes	Q3002	Cost +10%
Muga Scan	78472	\$167.77
Heart Wall Motion add-on	78478	\$58.87
Heart Function add-on	78480	\$58.87
Isotopes	Q3010	Cost +10%

All other Radiology diagnostic and therapeutic procedures will be billed @ 100% of current Medi-Cal rates.

**CONTRACT FOR
SERVICES
NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Lancaster Cardiology Medical Group

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Lancaster Cardiology Medical Group

Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

ADDITIONAL PROVISIONS

DEPARTMENT OF HEALTH SERVICES

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

AddProv. w/
Revised 03/07

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**ADDITIONAL PROVISIONS
DEPARTMENT OF HEALTH SERVICES
DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT**

1. ADMINISTRATION: County's Director of Health Services or his/her authorized designee(s) (hereafter collectively "Director") shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director the right to review and monitor Contractor's programs, policies, procedures, and financial and/or other records, and to inspect its facilities for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit, to Contracts and Grants Section, a statement executed by Contractor's duly constituted officers, containing the following information:

(1) The form of Contractor's business organization, i.e., sole-proprietorship, partnership, or corporation.

(2) Articles of Incorporation and by-laws.

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another business organization.

(4) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services, supplies,

materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(5) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or the Contractor's ownership of other businesses dealing with Contractor under this Agreement changes, Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Contracts and Grants, within ten (10) calendar days following execution of this Agreement a statement, executed by Contractor's duly constituted officers, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor including private contributions. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify Contracts and Grants in writing detailing such changes.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, in accordance with requirements of federal and State laws, or in any manner on the basis of the client's/ patient's sexual orientation. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-equivalent manner, or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national

origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation.

Facility access for handicapped must comply with the Rehabilitation Act of 1973, Section 504, where federal funds are involved, and the Americans with Disabilities Act.

Contractor shall further establish and maintain written procedures under which any person, applying for or receiving services hereunder, may seek resolution from Contractor of a complaint with respect to any alleged discrimination in the provision of services by Contractor's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with Contractor's resolution of the matter, shall be referred by High Desert Health System's Director (hereafter collectively "Facility Director"), for the purpose of presenting his or her complaint of alleged discrimination. Such procedures shall also indicate that if such person is not satisfied with County's resolution or decision with respect to the complaint of alleged discrimination, he or she may appeal the matter to the State Department of Health Services' Affirmative Action Division. At the time any person applies for services under this Agreement, he or she shall be advised by Contractor of these procedures. A copy of such nondiscrimination in services policy and procedures, as identified hereinabove, shall be posted by Contractor in a

conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided hereunder.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the Americans with Disabilities Act, the Rehabilitation Act of 1973, and all other federal and State laws, as they now exist or may hereafter be amended, that it shall not discriminate against any employee or applicant for employment because of, race, color, religion, national origin, ethnic group identification, ancestry, sex, age, or condition of physical or mental handicap, or sexual orientation. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation in accordance with requirements of federal and State laws. Such action shall include, but shall not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall post in conspicuous places in each of Contractor's facilities

providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract of understanding a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractors, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its

employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any provisions of this Paragraph have been violated, the same shall constitute a material breach of contract upon which Director may suspend or County may determine to terminate this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Paragraph, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California

Civil Code Section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless

County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a re-employment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

8. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence ("GAIN") or General Relief Opportunity for Work ("GROW") Programs who meet

Contractor's minimum qualifications for the open position. The County will refer GAIN/GROW participants by job category to the Contractor.

9. RECORDS AND AUDITS:

A. Client/Patient Records: If clients/patients are treated hereunder, Contractor shall maintain adequate treatment records in accordance with all applicable federal and State laws as they are now enacted or may hereafter be amended on each client/patient which shall include, but shall not be limited to, diagnostic studies, a record of client/patient interviews, progress notes, and a record of services provided by the various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services. Client/patient records shall be retained for a minimum of seven (7) years following the expiration or earlier termination of this Agreement, except that the records of un-emancipated minors shall be kept at least one (1) year after such minor has reached the age of eighteen (18) years and in any case not less than seven (7) years, or until federal, State, and/or County audit findings applicable to such services are resolved, whichever is later. Client/patient records shall be retained by Contractor at a location in Southern California and shall be made available at reasonable times to authorized

representatives of federal, State, and/or County governments during the term of this Agreement and during the period of record retention for the purpose of program review, financial evaluation, and/or fiscal audit. In addition to the requirements set forth under this Paragraph, Contractor shall comply with any additional record requirements which may be included in the exhibits(s) attached hereto and nothing in the Agreement shall be deemed to limit the obligations set forth in this Paragraph.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with written guidelines, standards, and procedures which may from time to time be promulgated by Director. Such records shall clearly reflect the actual cost of the type of service for which payment is claimed and shall include, but not be limited to:

(1) Books of original entry which identify all designated donations, grants, and other revenues, including County, federal, and State revenues and all costs by type of service.

(2) A General Ledger.

(3) A written cost allocation plan which shall include reports, studies, statistical surveys,

and all other information Contractor used to identify and allocate indirect costs among Contractor's various services. Indirect costs shall mean those costs incurred for a common or joint objective which cannot be identified specifically with a particular project or program

(4) If clients/patients are treated hereunder, financial folders clearly documenting:

(a) Contractor's determination of clients'/patients' eligibility for Medi-Cal, medical insurance, and other coverage.

(b) Reasonable efforts to collect charges from the client/patient, his/her family, his/her insurance company, and responsible persons.

(5) If clients/patients are treated hereunder, individual client/patient account receivable ledgers indicating the type and amount of charges incurred and payments by source and service type shall be maintained.

(6) Personnel records which show the percentage of time worked providing services claimed under this Agreement. Such records shall be corroborated by payroll timekeeping records, signed by

the employee and approved by the employee's supervisor, which show time distribution by programs and the accounting for total worktime on a daily basis. This requirement applies to all program personnel, including the person functioning as the executive director of the program, if such executive director provides services claimed under this Agreement.

(7) Personnel records which account for the total worktime of personnel identified as indirect costs in the approved contract budget. Such records shall be corroborated by payroll timekeeping records signed by the employee and approved by the employee's supervisor. This requirement applies to all such personnel, including the executive director of the program, if such executive director provides services claimed under this Agreement.

The entries in all of the aforementioned accounting and statistical records must be readily traceable to applicable source documentation (e.g., employee timecards, remittance advice, vendor invoices, appointment logs, client/patient ledgers). The client/patient eligibility determination and fees charged to, and collected from clients/patients must also be reflected therein. All financial records shall

be retained by Contractor at a location in Southern California during the term of this Agreement and for a minimum period of five (5) years following expiration or earlier termination of this Agreement, or until federal, State and/or County audit findings are resolved, whichever is later. During such retention period, all such records shall be made available during normal business hours to authorized representatives of federal, State, or County governments for purposes of inspection and audit. In the event records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other costs incurred by County for any inspection and audit at such other location.

C. Preservation of Records: If following termination of this Agreement Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove.

D. Audit Reports: In the event that an audit of any or all aspects of this Agreement is conducted of Contractor by any federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, Contractor

shall file a copy of each such audit report(s) with the County's Department of Health Services ("DHS") Contracts and Grants Section, and County's Auditor Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided for under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s).

E. Independent Audit: Contractor's financial records shall be audited by an independent auditor for every year that this Agreement is in effect.

The audit shall satisfy the requirement of the Federal Office of Management and Budget (OMB) Circular Number A-133. The audit shall be made by an independent auditor in accordance with Governmental Financial Auditing Standards developed by the Comptroller General of the United States, and any other applicable federal, State, or County statutes, policies, or guidelines. Contractor shall complete and file such audit report(s) with the County's DHS - no later than the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period.

If the audit report(s) is not delivered by Contractor to County within the specified time, Director may

withhold all payments to Contractor under all service agreements between County and Contractor until such report(s) is delivered to County.

The independent auditor's workpapers shall be retained for a minimum of three (3) years from the date of the report, unless the auditor is notified in writing by County to extend the retention period. Audit workpapers shall be made available for review by federal, State, or County representatives upon request.

F. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") Section 1395x(v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any

subcontract with a value or cost of Ten Thousand Dollars (\$10,000), or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

G. Program/Fiscal Review: In the event County representatives conduct a program review or financial evaluation of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial records, medical records, program records, and any other records pertaining to services provided under this Agreement. Additionally, Contractor shall make its personnel, facilities, and medical protocols available for inspection at reasonable times by authorized representatives of County. Contractor shall be provided with a copy of any written program review or financial evaluation reports. Contractor shall have the opportunity to review County's program review and financial evaluation reports, and shall have thirty (30) calendar days after receipt of County's findings to review the results and to provide documentation to

County to resolve exceptions. If, at the end of the thirty (30) day period, there remain exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results thereafter shall be applied to the total County payments made to Contractor for all claims paid during the program review or financial evaluation period under review to determine Contractor's liability to County.

H. Failure to Comply: Failure of Contractor to comply with the terms of this Paragraph shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

10. REPORTS:

A. Contractor shall submit to County the following reports showing timely payment of employees' federal and State income tax withholding:

(1) Within ten (10) calendar days of filing with the federal or State government, a copy of the federal and State quarterly income tax withholding return, Federal Form 941, and State Form DE-3 or their equivalent.

(2) Within ten (10) calendar days of each payment, a copy of a receipt for or other proof of payment of federal and State employees' income tax withholding whether such payments are made on a monthly or quarterly basis.

Required submission of the above quarterly and monthly reports by Contractor may be waived by Director based on Contractor's performance reflecting prompt and appropriate payment of obligations. Requirements of this Subparagraph A shall not apply to governmental agencies.

B. Contractor shall make other reports as required by Director concerning Contractor's activities as they affect the contract duties and purposes contained herein. In no event, however, may County require such reports unless it has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. County shall provide Contractor with a written explanation of the procedures for reporting the required information.

11. ANNUAL COST REPORT:

A. For each year, or portion thereof, that this Agreement is in effect, Contractor shall provide to County's DHS - one (1) original and one (1) copy of an annual cost report within thirty (30) calendar days following the close

of the contract period. Such cost report shall be prepared in accordance with generally accepted accounting principles, cost report forms, and instructions provided by County.

B. If this Agreement is terminated prior to the close of the contract period, the annual cost report shall be for that Agreement period which ends on the termination date. One (1) original and one (1) copy of such report shall be submitted within thirty (30) calendar days after such termination date to County's DHS. .

C. The primary objective of the annual cost report shall be to provide County with actual revenue and expenditure data for the contract period that shall serve as the basis for determining final amounts due to/from Contractor.

D. If the Annual Cost Report is not delivered by Contractor to County within the specified time, Director may withhold all payments to Contractor under all service agreements between County and Contractor until such report is delivered to County.

12. PUBLIC ANNOUNCEMENTS AND LITERATURE: Contractor agrees that all materials, public announcements, literature, audiovisuals, and printed materials utilized in association with this Agreement, shall have prior written approval from the Director or his/her designee prior to its publication, printing,

duplication, and implementation with this Agreement. All such materials, public announcements, literature, audiovisuals, and printed material shall include an acknowledgment that funding for such public announcements, literature, audiovisuals, and printed materials was made possible by the County of Los Angeles, Department of Health Services, and other applicable funding sources.

Contractor further agrees that all public announcements, literature, audiovisuals, and printed material developed or acquired by Contractor or otherwise, in whole or in part, under this Agreement, and all works based thereon, incorporated therein, or derived therefrom, shall be the sole property of County.

Contractor hereby assigns and transfers to County in perpetuity for all purposes all Contractor's rights, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

With respect to any such items which come into existence after the commencement date of the Agreement, Contractor shall assign and transfer to County in perpetuity for all purposes, without any additional consideration, all Contractor's rights, title, and interest in and to all such items, including, but not

limited to, all unrestricted and exclusive copyrights and all renewals and extensions thereof.

For the purposes of this Agreement, all such items shall include, but not be limited to, written materials (e.g., curricula, text for vignettes, text for public service announcements for any and all media types, pamphlets, brochures, fliers), audiovisual materials (e.g., films, videotapes), and pictorials (e.g., posters and similar promotional and educational materials using photographs, slides, drawings, or paintings).

13. CONFIDENTIALITY: Contractor agrees to maintain the confidentiality of its records and information including, but not limited to, billings, County records, and client/patient records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of said confidentiality provision of this Agreement. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising out of any disclosure of such records and information by Contractor, its officers, employees, agents, and subcontractors.

14. RESTRICTIONS ON LOBBYING:

A. Federal Certification and Disclosure Requirement:

Because federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (Title 31, U.S.C., Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

B. County Lobbyists: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of contract upon which Director may suspend or County may immediately terminate this Agreement.

15. UNLAWFUL SOLICITATION: Contractor shall require all of its employees performing services hereunder to acknowledge in writing understanding of and agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing

with Section 6150) of the Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral services of all those bar associations within Los Angeles County that have such a service.

16. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegate or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegate or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction of claims

which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County's Board of Supervisors in accordance with applicable provisions of this Agreement.

Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities,

obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

17. SUBCONTRACTING:

A. For purposes of this Agreement, subcontracts shall be approved by County's Director or his/her authorized designee(s). Contractor's request to Director for approval of a subcontract shall include:

(1) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including a description of Contractor's efforts to obtain competitive bids.

(2) A description of the services to be provided under the subcontract.

(3) The proposed subcontract amount, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which

must be approved in writing by Director before such amendment is effective.

B. Subcontracts issued pursuant to this Paragraph shall be in writing and shall contain at least the intent of all of the Paragraphs of the body of this Agreement, including the ADDITIONAL PROVISIONS, and the requirements of the exhibits(s) and schedule(s) attached hereto.

C. At least thirty (30) calendar days prior to the subcontract's proposed effective date, Contractor shall submit for review and approval to Director, a copy of the proposed subcontract instrument. With the Director's written approval of the subcontract instrument, the subcontract may proceed.

D. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors.

18. BOARD OF DIRECTORS: Contractor's Board of Directors shall serve as the governing body of the agency. Contractor's Board of Directors shall be comprised of individuals as described

in its by-laws; meet not less than required by the by-laws; and record statements of proceedings which shall include listings of attendees, absentees, topics discussed, resolutions, and motions proposed with actions taken, which shall be available for review by federal, State, or County representatives. The Board of Directors shall have a quorum present at each Board meeting where formal business is conducted. A quorum is defined as one person more than half of the total Board membership.

Contractor's Board of Directors shall oversee all agency contract-related activities. Specific areas of responsibility shall include executive management, personnel management, fiscal management, fund raising, public education and advocacy, Board recruitment and Board member development, i.e., training and orientation of new Board members and ongoing in-service education for existing members.

19. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by federal, State, and local law for the operation of its business and for the provision of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations,

accreditations, and certificates required by federal, State, and local law which are applicable to their performance hereunder. Contractor shall provide a copy of each license, permit, registration, accreditation, and certificate upon request of County's DHS - at any time during the term of this Agreement

20. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all federal, State, and local laws, ordinances, regulations, rules, and directives, applicable to its performance hereunder, as they are now enacted or may hereafter be amended.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, ordinances, regulations, rules, or directives.

21. KNOX-KEENE HEALTH CARE SERVICES REQUIREMENTS:

Contractor shall maintain all applicable books and records regarding services rendered to members of the County of Los Angeles Community Health Plan ("CHP") for a period of five (5) years from the expiration or earlier termination of this Agreement.

During such period, as well as during the term of this Agreement, Director or, the State Department of Managed Health

Care or both, reserve the right to inspect at reasonable times upon demand, Contractor's books and records relating to: (1) the provision of health care services to CHP members; (2) the costs thereof; (3) co-payments received by Contractor from CHP members, if any; and (4) the financial condition of Contractor.

Contractor shall maintain such books and records and provide such information to the Director, and to the State Department of Managed Health Care as may be necessary for compliance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code Sections 1340, et seq.) and all rules and regulations adopted pursuant thereto.

Upon expiration or earlier termination of this Agreement, County shall be liable for payment of covered services rendered by Contractor to a CHP member, who retains eligibility either under the applicable CHP agreement or by operation of law, and who remains under the care of Contractor at the time of such expiration or earlier termination until the services being rendered to the CHP member by Contractor are completed or County makes reasonable and medically appropriate provisions for the assumption of such services.

22. CONFLICT OF INTEREST:

A. No County employee whose position in County enables him/her to influence the award or administration of this Agreement or any competing agreement, and no spouse or

economic dependent of such employee, shall be employed in any capacity by Contractor, or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances.

23. PURCHASES:

A. Purchase Practices: Contractor shall fully comply with all federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in acquiring all furniture, fixtures, equipment, materials, and

supplies. Such items shall be acquired at the lowest possible price or cost if funding is provided for such purposes hereunder.

B. Proprietary Interest of County: In accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, County shall retain all proprietary interest, except their use during the term of this Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or obtained by Contractor using any contract funds designated for such purpose. Upon the expiration or earlier termination of this Agreement, the discontinuance of the business of Contractor, the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any judgement against it within thirty (30) calendar days of filing, County shall have the right to take immediate possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with Contractor, shall attach identifying labels on all such property indicating the proprietary interest of County.

C. Inventory Records, Controls, and Reports:

Contractor shall maintain accurate and complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose. Within ninety (90) calendar days following the effective date of this Agreement, Contractor shall provide Director with an accurate and complete inventory report of all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose

D. Protection of Property in Contractor's Custody:

Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any contract funds designated for such purpose, against any damage or loss by fire, burglary, theft, disappearance, vandalism, or misuse. Contractor shall contact , Contracts and Grants Section, for instructions for disposition of any such property which is worn out or unusable.

E. Disposition of Property in Contractor's Custody:

Upon the termination of the funding of any program covered by this Agreement, or upon the expiration or earlier termination of this Agreement, or at any other time that County may request, Contractor shall: (1) provide access to

and render all necessary assistance for physical removal by Director or his authorized representatives of any or all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds designated for such purpose, in the same condition as such property was received by Contractor, reasonable wear and tear expected; or (2) at Director's option, deliver any or all items of such property to a location designated by Director. Any disposition, settlement, or adjustment connected with such property shall be in accordance with all applicable federal, State, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives.

24. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the locations where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facilities shall include a review of compliance with the provisions of this Paragraph.

25. RETURN OF COUNTY MATERIALS: At expiration or earlier termination of this Agreement, Contractor shall provide an accounting of any unused or unexpended supplies purchased by Contractor with funds obtained pursuant to this Agreement and shall deliver such supplies to County upon County's request.

26. STAFFING: Contractor shall operate continuously throughout the term of this Agreement with at least the minimum number of staff required by County. Such personnel shall be qualified in accordance with standards established by County. In addition, Contractor shall comply with any additional staffing requirements which may be included in the exhibit(s) attached hereto.

During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of persons by name, title, professional degree, salary, and experience who are providing services hereunder. Contractor also shall indicate on such list which persons are appropriately qualified to perform services hereunder. If an executive director, program director, or supervisorial position becomes vacant during the term of this Agreement, Contractor shall, prior to filling said vacancy, notify County's Director. Contractor shall provide the above set forth required information to County's Director regarding any candidate prior to any appointment. Contractor shall institute

and maintain appropriate supervision of all persons providing services pursuant to this Agreement.

27. TRAINING/STAFF DEVELOPMENT: Contractor shall institute and maintain a training/staff development program pertaining to those services described in the exhibit(s) attached hereto. Appropriate training/staff development shall be provided for treatment, administrative, and support personnel. Participation of treatment and support personnel in training/staff development should include in-service activities. Such activities shall be planned and scheduled in advance; and shall be conducted on a continuing basis. Contractor shall develop and institute a plan for an annual evaluation of such training/staff development program.

28. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, or other

compensation or benefits to any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole liability and responsibility for any and all workers' compensation benefits to any person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

D. Acknowledgment that each of Contractor's employees understands that such person is an employee of Contractor and not an employee of County shall be signed by each employee of Contractor performing services under this Agreement. A copy of such written notice shall be retained by the Contractor for the purposes of inspection and audit and made available to County upon request. The form and content of such acknowledgment shall be substantially similar to the form entitled "EMPLOYEE'S ACKNOWLEDGMENT OF EMPLOYER", attached hereto and incorporated herein by reference.

29. TERMINATION FOR INSOLVENCY:

A. County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Code or not;

(2) The filing of a voluntary or involuntary petition under the Federal Bankruptcy Code;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

B. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

30. TERMINATION FOR DEFAULT:

A. County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

(1) If, as determined in the sole judgement of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

(2) If, as determined in the sole judgement of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

B. In the event that County terminates this Agreement as provided in Subparagraph A, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs

incurred by County, as determined by County, for such similar services

C. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

31. TERMINATION FOR CONVENIENCE: This Agreement may be terminated, with or without cause, by Contractor upon giving of at least thirty (30) calendar days' advance written notice to County. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder.

Director may also suspend the performance of services hereunder, in whole or in part, effective upon Contractor's receipt of County's written notice. County's notice shall set forth the reasons for the suspension, the extent of the suspension, and the requirements for full restoration of the performance obligations.

The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance

of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, agents, or employees to comply with the terms of this Agreement or any written directives by or on behalf of County issued pursuant hereto shall constitute a material breach hereto and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

In the event of termination or suspension of this Agreement, Contractor shall:

1. If clients/patients are treated hereunder, make immediate and appropriate plans to transfer or refer all clients/patients treated under this Agreement to other agencies for continuing care in accordance with the client's/patient's needs. Such plans shall be approved by Director, except in such instance, as determined by Contractor, where an immediate client/patient transfer or

referral is indicated. In such instances, Contractor may make an immediate transfer or referral.

2. Immediately eliminate all new costs and expenses under this Agreement. New costs and expenses include, but are not limited to, those associated with new client/patient admissions. In addition, Contractor shall immediately minimize all other costs and expenses under this Agreement. Contractor shall be reimbursed only for reasonable and necessary costs or expenses incurred after receipt of notice of termination.

3. Promptly report to County in writing all information necessary for the reimbursement of any outstanding claims and continuing costs.

4. Notwithstanding the provisions of any other Paragraph of this Agreement or Additional Provision, provide to County's within thirty (30) calendar days after such termination date, an annual cost report as set forth in the ANNUAL COST REPORT Paragraph, hereunder.

a. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

After receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its

termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor, for a period of five (5) years after final settlement under this Agreement, shall make available to County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) working days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit.

32. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

33. PROHIBITION AGAINST PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or physician performs services while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within two (2) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

36. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

37. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other

breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

38. SEVERABILITY: If any provisions of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

39. GOVERNING LAWS: This Agreement shall be construed in accordance with and governed by the laws of the State of California.

40. JURISDICTION AND VENUE: Contractor hereby agrees to submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action (other than an appeal or an enforcement of a judgement) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

41. RESOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier

termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and its DHS shall make the determination to re-solicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

42. NON-EXCLUSIVITY: Contractor acknowledges that it is not the exclusive provider to County of the services to be provided under this Agreement, that County has, or intends to enter into, contracts with other providers of such services, and that County reserves the right to itself perform the services with its own County personnel. During the term of this Agreement, Contractor agrees to provide County with the services described in the Agreement.

43. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities

they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster, or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which Director may suspend or County may immediately terminate this Agreement.

44. COUNTY'S QUALITY ASSURANCE PLAN: County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

45. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who

benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act {(42 USC Section 653a)} and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

46. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 47 "CONTRACTOR'S CHILD WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM", shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to

County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

47. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

48. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notices shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

49. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which

generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a non profit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is

presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds

that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of

debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to any subcontractors of County Contractors.

50. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it, nor any of its owners, officers, partners, directors or principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner director, or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it

or any of its subcontractors or any principals of either being suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

51. RULES AND REGULATIONS: During the time that Contractor's personnel are at County Facilities such persons shall be subject to the rules and regulations of such County Facility. It is the responsibility of Contractor to acquaint persons who are to provide services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its personnel from the provision of services hereunder upon receipt of oral or written notice from Director, that (1) such person has violated said rules or regulations, or (2) such person's actions, while on County premises, indicate that such person may do harm to County patients.

52. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or

selling agencies maintained by Contractor for the purpose of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

53. PURCHASING RECYCLED-CONTENT BOND PAPER: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

54. COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM: This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a

written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the

provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. Attached hereto, is the required form, "County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception", to be completed by the Contractor.

D. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

55. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

56. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is

set forth herein and is also available on the Internet at www.babysafela.org for printing purposes.

57. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

58. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit F, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions

without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202).

59. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996:

The performance of Contractor's obligations under the Agreement could require Contractor's receipt of, or access to, Protected Health Information, as such term is defined in Attachment A (Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996).

Contractor and County hereby agree to be bound by the terms and conditions of the Business Associate Protected Health Information Disclosure Agreement (Attachment A) (hereafter "Business Associate Agreement") by and between Contractor (referred to in Attachment A as "Business Associate") and County (referred to in Attachment A as "Covered Entity") for the term of this Agreement and as provided in the Business Associate Agreement.

60. BUDGET REDUCTIONS: In the event that County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and

any subsequent fiscal year for services provided by Contractor under this Agreement. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement.

61. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

ADD.PROV.DIAG.03/07.KS

**CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE
UNDER THE HEALTH INSURANCE PORTABILITY AND
ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.
- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities:
However, Business Associate is not required to provide an accounting of Disclosures that are

necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to a another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.